City of Swartz Creek
AGENDA
Regular Council Meeting, Monday, July 22, 2019, 7:00 P.M.
Paul D. Bueche Municipal Building, 8083 Civic Drive Swartz Creek, Michigan 48473

1. CALL TO ORDER

2. INVOCATION AND PLEDGE OF ALLEGIANCE:

3. ROLL CALL:

4. MOTION TO APPROVE MINUTES:

4A.	Council Meeting of July 8, 2019	MOTION	Pg. 36

5. APPROVE AGENDA:

5A.	Proposed / Amended Agenda	MOTION	Pg. 1

6. REPORTS & COMMUNICATIONS:

6A.	City Manager's Report	MOTION	Pg. 3
6B.	Staff Reports and Minutes		Pg. 42
6C.	8002 Miller Lease		Pg. 53
6D.	Bikes on the Bricks Information		Pg. 64
6E.	Brewer Townhome Sale Instrument		Pg. 70
6F.	NLC Line Insurance Agreement		Pg. 138
6G.	Consumers Energy LED Notice		Pg. 149

7. MEETING OPENED TO THE PUBLIC:

7A.	General Public Comments		

8. COUNCIL BUSINESS:

8A.	Mott Community College	PRESENTATION	
8B.	8002 Miller Lease	RESO	Pg. 19
8C.	Bikes on the Bricks	RESO	Pg. 20
8D.	Brewer Townhome Sale	RESO	Pg. 21
8E.	Groundwater Withdrawal Ordinance	RESO	Pg. 22
8F.	NLC Line Insurance Agreement	DISCUSSION	

9. MEETING OPENED TO THE PUBLIC:

10. REMARKS BY COUNCILMEMBERS:

11. ADJOURNMENT: MOTION

Next Month Calendar

Swartz Creek Chamber:	Tuesday, July 23, 2019, 12:00 p.m., American Legion
Metro Police Board:	Wednesday, July 24, 2019, 10:00 a.m., Metro Headquarters
Planning Commission:	Tuesday, August 6, 2019, 7:00 p.m., PDBMB
Park Board:	Wednesday, August 7, 2019, 5:30 p.m., PDBMB
Downtown Development Authority:	Thursday, August 8, 2019, 6:00 p.m., PDBMB
City Council:	Monday, August 12, 2019, 7:00 p.m., PDBMB
Fire Board:	Monday, August 19, 2019, 6:00 p.m., Public Safety Bldg
Zoning Board of Appeals:	Wednesday, August 21, 2019, 6:00 p.m., PDBMB
City Council:	Monday, August 26, 2019, 7:00 p.m., PDBMB
Metro Police Board:	Wednesday, August 28, 2019, 10:00 a.m., Metro Headquarters

City of Swartz Creek Mission Statement

The City shall provide a full range of public services in a professional and competent manner, assuring that the needs of our constituents are met in an effective and fiscally responsible manner, thus promoting a high standard of community life.

City of Swartz Creek Values

The City of Swartz Creek's Mission Statement is guided by a set of values which serve as a common operating basis for all City employees. These values provide a common understanding of responsibilities and expectations that enable the City to achieve its overall mission. The City's values are as follows:

Honesty, Integrity and Fairness

The City expects and values trust, openness, honesty and integrity in the words and actions of its employees. All employees, officials, and elected officials are expected to interact with each other openly and honestly and display ethical behavior while performing his/her job responsibilities. Administrators and department heads shall develop and cultivate a work environment in which employees feel valued and recognize that each individual is an integral component in accomplishing the mission of the City.

Fiscal Responsibility

Budget awareness is to be exercised on a continual basis. All employees are expected to be conscientious of and adhere to mandated budgets and spending plans.

Public Service

The goal of the City is to serve the public. This responsibility includes providing a wide range of services to the community in a timely and cost-effective manner.

Embrace Employee Diversity and Employee Contribution, Development and Safety

The City is an equal opportunity employer and encourages diversity in its work force, recognizing that each employee has unlimited potential to become a productive member of the City's team. Each employee will be treated with the level of respect that will allow that individual to achieve his/her full potential as a contributing member of the City staff. The City also strives to provide a safe and secure work environment that enables employees to function at his/her peak performance level. Professional growth opportunities, as well as teamwork, are promoted through the sharing of ideas and resources. Employees are recognized for his/her dedication and commitment to excellence.

Expect Excellence

The City values and expects excellence from all employees. Just "doing the job" is not enough; rather, it is expected that employees will consistently search for more effective ways of meeting the City's goals.

Respect the Dignity of Others

Employees shall be professional and show respect to each other and to the public.

Promote Protective Thinking and Innovative Suggestions

Employees shall take the responsibility to look for and advocate new ways of continuously improving the services offered by the City. It is expected that employees will perform to the best of his/her abilities and shall be responsible for his/her behavior and for fulfilling the professional commitments they make. Administrators and department heads shall encourage proactive thinking and embrace innovative suggestions from employees.

City of Swartz Creek
CITY MANAGER'S REPORT
Regular Council Meeting of Monday, July 22, 2019 - 7:00 P.M.

TO: ***Honorable Mayor, Mayor Pro-Tem & Council Members***
FROM: **Adam Zettel,** City Manager
DATE: July 18, 2019

ROUTINE BUSINESS – REVISITED ISSUES / PROJECTS

- ✓ **MICHIGAN TAX TRIBUNAL APPEALS** *(No Change in Status)*
  Kroger has appealed again, and it is substantial. Heather is working on seeking a professional cost for an appraisal. This is another example of an appeal that, in our opinion, has no basis in reality other than to reduce costs for the corporation. I don't blame them for trying. I do blame the state MTT environment for building a culture in which these appeals are treated with merit and which place the burden on the municipality year after year to expend costs to defend these baseless claims.

  We also have two small claims commercial appeals pending, one is for the medical office building on the east end, commonly known as the VPH Building. The other is for the apartments on Brady Street.

  We will keep the council informed regarding appeals and the need for appraisals as we move through summer.

- ✓ **STREETS** *(See Individual Category)*
  - ✓ **2017-2020 TRAFFIC IMPROVEMENT PROGRAM (TIP)** ***(Update)***
    Fairchild Street is under construction and is substantially complete. However, there are two spots that are not meeting construction engineering standards that we are requiring to be redone. This is not ideal, since it will leave us with seams on the top coat. However, we must ensure a proper base.

    The project includes a mill and resurface of the road way. We are also converting overhead street lights to LED and adding two additional LED pedestrian lights. Enhanced crosswalks are included in the project as well. Traffic should remain open throughout the project.

  - ✓ **2020-2023 TRAFFIC IMPROVEMENT PROGRAM (TIP)** *(No Change in Status)*
    Morrish Road from Bristol to Miller has been funded. The city has committed the match portion to this project, which is 80-20. It is unclear what year this project will be undertaken, but we want it done subsequent to the USDA water main work. This MAY span two construction seasons. We have put the engineers on notice regarding our desire to widen Paul Fortino to the north so that a left turn lane may be added. This will occur whether or not the townhome project proceeds.

  - ✓ **QUALIFIED BIDDING SELECTION PROCESS** *(No Change in Status)*

This is a new section of the report that will be with us for a while. We are getting closer to engaging in the Qualified Bidding Selection (QBS) process to pre-certify engineering firms to work on federal projects.
The QBS process is something that the city has routinely done to stay compliant and to have a good faith process for ensuring quality and competitive engineering services. This process was last finalized on November 25, 2013. I am going to split this out as a separate business item until it is complete.

This process is also required to undertake federal road projects that include preliminary and construction engineering.

- ✓ **STREET PROJECT UPDATES** *(No Change in Status)*
  This is a standing section of the report on the status of streets as it relates to our dedicated levy, 20 year plan, ongoing projects, state funding, and committee work. Information from previous reports can be found in prior city council packets.

  Helmsley Drive is underway! The contractor is Glaeser Dawes. The project includes full depth road reconstruction, new drive approaches, new sidewalk (for areas not included in the previous water main replacement), some forestry, and three new pedestrian LED's.

  The engineering proposal for 2020 local streets with OHM is approved and work is underway. The scope includes a section of Oakview, Chelmsford, and Oxford (including the last small stretch of Winston). Note that it is unlikely we will have a budget to do all of those sections in 2020 since state revenues have not been forthcoming as expected. However, it is work that needs to be completed for the USDA watermain on those streets in the next three years.

  Notable issues currently include the proposed layout and ownership (school or city) of the bus lane on Oakview by Syring. We will liaise with the school regarding this and how they wish to proceed with the bond improvements.

- ✓ **WATER – SEWER ISSUES PENDING** *(See Individual Category)*
  - ✓ **SEWER REHABILITATION PROGRAM** *(No Change in Status)*
    2018-2019 winter sewer projects have been approved and are substantially complete. The project costs exceeded estimates due to higher unit counts on the linear feet of pipe and the number of lateral reinstatements (sewer lead reconnections). Liquiforce completed the large collector on Durwood and a downtown line, School Street.

    This multi-year program is on schedule and budget. Based upon current rates and existing fund balance, staff may recommend expending more in the next year or two on the sewer rehabilitation plan in order to get some higher risk assets completed more quickly.

    We have flow meters installed at key collector lines in the city. We need to ascertain what the remaining capacity is before we can enable the progress of new projects (Applecreek, Springbrook East expansion, future Morrish Road users, etc). If the lines are not sized properly, investment may be warranted. This would alter our

rehabilitation plan to include capital investment for future users. For this reason, we are not altering rates until the capacity information is available.

- ✓ **WATER MAIN REPLACEMENT** *(No Change in Status)*
  The USDA agreement was approved by the council and is pending execution. I am including some initial comments regarding the agreement from early in its review. There was not much that was adjustable, but council can get the flavor of the evolution of the document.

  In other news, engineering continues. Bond counsel and other team members have been tentatively assembled and await progress.

  Prior system report findings follow:

  The Genesee County Drain Commission - Water and Waste Services Division Water Master Plan, indicates they are considering a northern loop to provide redundancy and stability to the system. This is good news since Gaines and Clayton Township rely on the overstressed Miller line. There is currently not any cost or participation information available. I will keep the council informed.

  The city has been working with the county to abandon the Dye Road water main in the vicinity of the rail line. Note that we are holding this action pending the master plan review. This line is prone to breaks, which can be very costly and dangerous near the rail spur. The intention would be to connect our customers to the other side of the street, onto the county line. It appears the transition cost would be about $25,000. We will work with the county on this matter and report back on our findings.

  Lastly, the city should probably complete full demolition on the “Brown Road” site (the old well head) and sell this property. This is not a high priority, but it is now on our radar.

- ✓ **HERITAGE VACANT LOTS** *(No Change of Status)*
  The last of the lots acquired prior to the special assessment have been approved for sale. The city has two more lots that were acquired through the tax reversion process. If there is no objection, I will look to prepare instruments for the two units acquired in 2017 at new, negotiated pricing if requested by the buyer, JW Morgan, at some point in the future.

- ✓ **NEWSLETTER** *(No Change of Status)*
  The newsletter is out. Topics that were requested to be covered are included, with the exception of solicitation, which was well-covered in the SC View.

- ✓ **CONSTRUCTION & DEVELOPMENT UPDATE** *(See Individual Category)*
  This will be a standing section of the report that provides a consolidated list for a brief status on public and private construction/developmental projects in the city.

1. The **streetscape project on Miller Road** is underway! Holland Square is to be paved and illuminated, with a decorative fence/wall. Miller Road is to have lighting, landscaping, new walkways, knee walls, and pedestrian crossings.
2. The reconstruction of the expanded **Sharp Funeral Home** continues and should be done this month! This is a ~14,000 square foot building in downtown.
3. **Façade grants** are complete for Robertson Insurance and Howe Art Supplies (she still intends to paint the doors). Renovations on 5015 Holland and 7530 Miller are pending. All work (public and private) will be in excess of $250,000.
4. The city hopes to commence construction on **about $1 million of grant support recreational path in 2020**. The MDOT grant is conditionally awarded and we await word on the DNR grant portion.
5. The Chamber, Women's Club, and other downtown business owners continue to plan and expand **events in downtown**. The Fall Family Fun Day is expanding into the Jeepers Creekers event, which will cover multiple weekends in October of 2019. This will include a zombie walk, city-wide decorating, trunk or treat, separate youth and adult movie nights, and related activities.
6. The **raceway has new ownership**. They intend to use the site for thoroughbred horse racing, but they did not get state approval for live races or simulcasting in 2019. They are open to finding additional users for the site to supplement the racing. They are also communicating well in regards to partnering with community groups such as Hometown Days. I find the new owners to be very astute and capable.
7. A Flint based group has a purchase option for **Mary Crapo.** The intent is to use the building and site for senior housing. This would result in new residents in the downtown and the potential for new construction on part of that site. I expect a site plan for about 50 new units in August.
8. ***(Update)*** The **school bond** passed and many improvements are expected in 2019 throughout the district. Total investment for this effort will exceed $50 million over two to three years. Plans have been submitted for work on Syring and Elms School.
9. **Street repair in 2019** is to include Fairchild (with decorative lighting) and Helmsley (full reconstruct). The city also has grants and loans for about **$5 million in water main work** to occur between 2020 and 2022.
10. ***(Update)*** The **Applecreek Station** development of 48 townhomes is seeking final review by the county. These units range in size from 1,389 to 1,630 square feet, with garages. Construction will occur on vacant land in the back of the development, by Springbrook Colony. Site engineering plans have just been submitted by the owner. Rents are expected to be about $1.00 per square foot (~ $1,600 a month) which matches rents in Winchester Village. If this project occurs in 2019, 2020 DDA revenues will be positively and substantially improved.
11. The **Brewer Condo Project** was given site plan approval and tentative purchase agreement approval. This includes 15 townhome condos off Morrish Road in downtown. They are approximately 1,750 square feet, with two car garages and basements. Parking on the raceway property has been tentatively approved by the owner, and we are working on a plan to level and maintain the surface to replace lost parking on Paul Fortino Drive.

12. The city council approved the use of **state tax incentives** and local utility waivers for redevelopment sites in downtown, rounding out our efforts to be a certified Redevelopment Ready Community.
13. There are **soft inquiries for vacant downtown land** for new buildings/users. However, there has not been any new movement on this issue.

✓ **HOLLAND SQUARE & STREETSCAPE** *(No Change in Status)*
Green Tech Systems, LLC is working and progress is steady! Traffic should remain open, though lane closures and shifts are expected. We hope to have everything done in July. As of writing, there are no major issues or project changes to report.

Note that we intend to proceed with pavement styles and colors that are desirable for future use (based upon late feedback from business committee members downtown). This WILL NOT MATCH THE EXISTING. The grey stone look was thought to be too drab and blending into our nasty winters and springs. We are opting to have all future streetscape features contrast the large amounts of grey/black/white with other variations of reds. So, instead of matching what is less desirable for the sake of matching, we intend to building new features that are more in line with aesthetics with the intention of matching the older components when they are due.

✓ **TRAILS** *(No Change in Status)*
The second application to the DNR Trust Fund grant has been submitted. We await notification, which should come this fall. In the meantime, I suggest we proceed with engineering. This will ensure that, pending a late award, we will still have time to bid. Bidding early in the year (during the winter months) generally results in better pricing.

The DNR grant is crucial to offset the 35% that the city must cover to match the Enhancement Grant. The MDOT Enhancement Grant is conditionally awarded. We hope this covers 65% of the investment. Work with Consumers Energy and CN Rail is positive for those project components that require their engagement. We are still working with the MTA and GM on some easements and permissions.

Note that the city will still be heavily invested in this, even if both grants are awarded. Count on a general fund outlay of $200,000 for the local match and additional engineering, construction, and inspection services. Any overages (price changes and change orders) will be locally covered as well.

The project timeline will be revised. At its core, it should still reflect a 2020 construction timeframe. The difference is that we plan to engineer the project sooner than anticipated so we can bid it upon a conditional DNR award in a year's time.

✓ **REDEVELOPMENT READY COMMUNITIES** *(No Change of Status)*
We are near the end of the certification process! The following RRC components are still pending and should be administratively complete this summer:

- Development review flowchart and checklist
- Property marketing packages

✓ **DOG PARK** ***(Update)***

Work is scheduled to begin on July 27. We should be able to accommodate this. The project includes:

1. The enclosure shall be ~16,000 square feet, as mapped, with overall dimensions of 140' x 140' less a 70' x 70' square that creates the "L" shape.
2. The fence will be 4' tall black chain link, with a tension wire and closed loops.
3. Double entrances will be provided for safety.
4. A mowing entrance will also be provided.
5. The project shall be overseen by the Director of Public Works and not commence until the ability to ensure project completion is evidenced.

✓ **DURAND AREA INDUSTRY - PROJECT TIM** *(No Change of Status)*
This project seems cold and quiet. However, it appears there are still valid purchase agreements in place for the development, and there are state and local bureaucrats continuing work on contingency plans for utility and traffic modelling. It is anyone's guess at this point. Please see prior packets for information on the project and its evolution.

✓ **TAX REVERTED PROPERTY USE** *(No Change in Status)*
I expected transactions for the approved sales of vacant land on Wade Street and in Heritage Village before June. I communicated with the buyer for Heritage. There is still interest, but it is dependent on some pending sales. I recommend we let the options continue for the moment. The Wade Street buyer is unlikely to follow-through. I am seeking a release. It is very likely that we will need to rebid the Wade Street property.

✓ **8002 MILLER** ***(Tentative Business Item)***
The contractor is working. A completion timeline has not been set, but the upstairs should be done and ready for inspection any day now. Time is on our side with this since it gives the user more time to establish their new business and contribute more monthly payments to the project.

Because the upstairs is nearly done, the owner of the business is able and willing to occupy the residential space. To enable this, we will look to replace the existing agreement with a lease that includes the commercial space AND the upstairs. I have attached a draft agreement that accomplishes this. As of writing, I have NOT heard back from the tenant regarding their position on the new terms. I am keeping this on the agenda in case it is ready to go by Monday. Otherwise, we will delay into August.

Note that the proceeds from this lease MUST go to offset the cities investment, effectively counting towards the eventual sale price by the user. This closely resembles a land contract. In fact, the city attorney may recommend we proceed directly to a land contract at this point as a means to recognize the current lease and eventually purchase terms.

✓ **GROUNDWATER WITHDRAWAL ORDINANCE** ***(Business Item)***
This ordinance is finally ready to go, after two years of follow up by the State and ExxonMobil. The ordinance substantially matches the version that has been placed in previous council packets.

Concerning the ordinance, the practical impact of this is small since wells are no longer permitted in the city and there are no known 'grandfathered' wells in the impacted area. The city attorney sees no issues with this ordinance, so we will look to have this before the council when Exxon and their consultant are confident the timing is right.

✓ **SCHOOL FACILITY PROPOSAL** *(No Change of Status)*
The school received high bids for initial security work. They are rebidding with the addition of fall/winter work in the hopes that the scope and timing of the new work expectations will be more enticing to contractors. It is expected that elementary security entrances and related work will be the first phase of the investment.

Additional bond work shall continue in 2020 and 2021. It will include all facilities, including athletic facilities at the high school. We expect cooperation and benefit in terms of establishing safer connections for walkers, better land grades (e.g. the football field), and more attractive gateways.

✓ **BREWER TOWNHOMES** ***(Business Item)***
Editor's Note: I apologize…I couldn't stop typing…

The site plan, condominium documents, and draft purchase agreement were approved at the June 10 city council meeting. Affirmation of the sale, with conditions, is on the agenda for the 22nd. See the prior reports for details regarding the project.

There has been some obvious consternation concerning the use of the property for townhomes, as well as the sale of the property for $10,000. I will make some additional comments regarding the staff position on the matter. First, there are a couple general concepts I wish to relate.

Many folks are praising or criticizing the project without much information. As we consider this project and others like it, we must make an effort to inform ourselves, the public, and each other about our goals (why we do things), our process (how we make decisions), and our tasks (what we are doing). This is important because every decision we make should be able to be tied to our community 'why'.

Ultimately, there is a lot of historic and recent documentation that cannot be so easily summarized. Folks engaged with this project should be familiar with the city's Master Plan, Downtown Development Plan, and the townhome review process. That being said, I will attempt to coalesce years worth of public planning, community goals, and project specifics below.

Consider a primary concern of the sale: the price. Many folks are critical of the sale because the revenue from the sale is less than the expense. While fiscal prudence is demanded in our decisions, we must consider the benefit to our goals in weighing our expenses. The city does not pursue only capitalistic gains on investments as suggested by some. In fact, like most community endeavors, many of our investments are made specifically because the private sector *cannot* produce capital returns for the services provided.

For example, investments in recreation have a large up-front cost, ongoing maintenance costs, and much fewer (if any) revenues than those required to 'capitalize' the investment. This is what government does. Leasing space to the library for no cost does not make capitalistic sense, but it supplies a direct benefit to the community. We enable this arrangement even though a sale of the building would put more money in the public coffers.

As such, when we adjust our lens to determine if a decision is hitting the mark, let's not limit ourselves to whether or not our investments capitalize, but whether or not they improve our quality of life and meet our established objectives. Such objectives are detailed in our planning documents, including the need to create private investment and establish new forms of housing in and near downtown.

That being said, here is some additional rational for the sale of the property at less than the purchase price:

The vacant lot on Fortino Drive was purchased for $90,000 in 2004. The former home site, now vacant with the red shed, was purchased in 2007 for $120,000. The total investment was $210,000. The purpose was to provide a location for a possible senior center that was being considered at that time.

Since then, the real estate market collapsed and the senior center expanded in place, negating the original public purpose. Note that, had the senior center needed this site, it was intended that they get it at *no cost*. Also note that the lot between the post office and cemetery was refused purchase by the city at a value of $90,000 in 2007, but was subsequently donated to the city after the market crash, illustrating the dramatic change in values that we have realized.

Where does this leave us? Whether it was worth it or not, the city has over $210,000 invested in land that was not necessary for the senior center. It costs roughly $2,000 a year to maintain it. The current use is parking for summer concerts, a car show, and parking for various veteran events.

Option One: Change Nothing. The status quo open space/parking offers no monetary return, requires marginal operating costs, and cost $210,000 for initial investment. Simply put, we are over $210,000 invested with ongoing expenses to provide the parking/green space.

Option Two: Townhome Sale. The current purchase agreement includes a sale price of $10,000. Comparable single family lots in downtown value at ~$6,000 - $10,000. Lots in Heritage are selling for about $12,000, ready to build. The site in question requires substantial drainage work and other site improvements by the developer.

The following estimate illustrates future returns in taxes for build-out of the proposed condominiums:

- Assuming 15 units with a true cast value of ~$200,000, we expect a taxable value of $100,000 x 15 = $1,500,000
- The DDA captures 26.7521 mils x $1,500,000 = $40,128.15 annually

- The city captures 4.22 mils for streets x $1,500,000 = $6,330 annually
- Total local collections to be directed to city streets and downtown = $46,458.15 annually

Summarily, this prospect has current market forces strong enough to support a marginal sale, with strong annual tax returns that are able to recover costs in roughly five years.

Option Three: Find a Stronger Market Buyer. An alternate sale price, for some other commercial use, may be able to provide a higher initial return with comparable tax returns. However, the market for comparable commercial sales is so weak, there are no direct comparables. In fact, a medical office user was considering downtown and indicated that they could not make vacant land on Fortino Drive work if it was given to them for new construction. Commercial development was considered by has not been planned or preferred for this site.

Some folks have indicated they might be willing to pay more for the site to remain open space. While this can produce a higher sale value, there would not be any appreciable ongoing revenues.

Option Four: Retain Property. The property could be retained for future speculation or future use. As of writing there are no direct public needs or plans to use the site, nor are there any indications that the area will support a substantially higher sale price in the future.

One of the other primary concerns is that of supporting new housing in this location. Concerning how we got here, this process has been a long one that has been well vetted and constantly in touch with the community goals.

The DDA was formed in 2003, after the city identified a need to improve the function and image of downtown as it relates to the businesses there and the ability to provide public events and culture.

The DDA immediately began planning for improvements to infrastructure, existing business improvements, and a strategy to improve the desirability of the area. To make a long story short, they engaged the community and sought market studies/recommendations to make the area thrive.

Again, findings are in the planning documents, but key notes include:

1. Downtown does not need to be big, but it does need to thrive
2. History and rural character are important
3. Downtown housing, especially seniors and young families are desired
4. Supporting events and culture are important

After the land in question was not needed for a new senior center, there was no pressing use. The city and DDA held workshops in 2015 to see how downtown properties could be used to support the community goals and findings. Specific uses were mentioned for Holland Square and the property in question, which included

housing. Other vacant lots were noted to be suitable for supporting parking or future speculation.

After the workshops, the DDA began to conceptually plan for how housing could take shape on this site. This involved many public deliberations and assistance from a Lansing based architect. After many iterations, a plan evolved that included:

1. Owner occupied and attached condos
2. Garage and drive parking
3. Elimination of 'apartment' features like shared parking, lighting, dumpsters, etc.
4. Limited traffic access
5. Multi-story buildings of a distinct nature to existing housing types (e.g. Springbrook)
6. Design that compliments historic structures in the community

With these features in place, the DDA sought a local developer to assist with making the plans marketable and practical to build and sell. Many local builders were engaged, but none were interested. That changed in 2018, when RBF was having success building condos in Fenton and opted to take a look at the plans.

The DDA and RBF further deliberated the concept at public DDA meetings. With further professional survey and architectural assistance, the plans were further altered to include basements, extra square footage, and multiple porches, and frontage units on Morrish Road. The developer also created a site plan, phasing plan, and condominium documents. The intent was to bring quality housing units to the community that would attract individuals, couples, and families that prefer a downtown setting.

The site plan was reviewed and approved by the planning commission at its regular meetings.

Why pursue change at all? This is a very fair question. Many folks believe we are forcing change where it is not needed. My own opinion is that our community cannot rely on the status quo or a no change policy and be successful at providing a high quality of life. We have noted deficiencies, including a weak downtown. We have aspirations. We also know that Genesee County is not a place to be ordinary and be successful. I believe our town must make extraordinary decisions, and that means taking risks and doing things that have a potential for failure.

This project may not work. Of course, this is possible and there are always reasons to be optimistic or doubtful. However, I strongly believe that preserving space in our city core while we develop at the fringes will not help us maintain our character and thrive. Of course there are risks, but there is also great potential. What we do have confidence in is our community goals (our why factor). We have also put much time, energy, and rational thought into determining what we plan to do.

My opinion is that our community should cease to pause action anytime that fear of the unknown presents itself and begin seeking ways to build success. If we lived our personal lives with fear of the unknown, no one would ever start a business, grow a family, move into a new home, or take on a new job. Our community deserves opportunities to enable current and future generations to dream, plan, and realize

visions that create positive change. We will never have universal buy-in related to what the change is, but we can trust in how we got here and why we do it.

- ✓ **SPORTS CREEK RACEWAY & GAMING COMMISSION** *(No Change of Status)*
  I spoke to the owner on June 17th. He is hopeful that 2019 casino bills that are pending will enable thoroughbred racing in Swartz Creek in a sustainable manner.

  Parking on the raceway property has been tentatively approved by the owner, and we are working on a plan to level and maintain the surface to replace lost parking on Paul Fortino Drive.

- ✓ **CDBG** *(No Change of Status)*
  At this point, we are looking to upgrade street name/stop signs in the downtown area using these funds. I will keep the council informed of the timeline.

- ✓ **SAFE ROUTES TO SCHOOL** ***(Update)***
  We will be meeting with the SRTS group on Monday the 22nd. I hope to have more to report at that time.

- ✓ **INCENTIVE PACKAGES & RRC PROPERTIES** ***(Update)***
  The incentive package has been approved and made available for public use. I will remove this section from future reports unless there is an active application.

- ✓ **BUILDING AND ZONING SERVICE DELIVERY** *(No Change of Status)*
  A test version is up and running, with staff having initial training on June 5th. For the next month or so, we will test the web and staff-user systems to ensure that the online registration, permits, inspection requests, and payment interface is working. We should be live with a full suite of online building services (including limited zoning & right of way permitting)!

  The enhancements will improve our internal work flow/checklists and increase our online abilities by enabling the integration with the existing BS&A platforms. This means that we will be using less paper and relying more on digital submissions of applications, as well as the potential for online payment and permit delivery. Projects, both big and small, will then be coordinated and viewable by all users (Swartz Creek and Mundy) within the software at all times.

  This is an enhancement that Mundy staff are already engaged in and will look to apply their knowledge to bring us into the 21st century as well. In fact, combined with other RRC initiatives, this should make us cutting edge among municipalities. I will keep the council informed.

- ✓ **NON-COMMERCIAL MARIJUANA (MARIHUANA)** *(No Change of Status)*
  I discussed the matter with the city attorney on May 23rd. I hope to have some input on WHAT features can be regulated and HOW in the coming months. The previous report follows:

  In addition to commercial activities for medical and recreational marijuana, there are still regulatory considerations for residential growing, processing, possessing, and

using. Generally, the concerns boil down to odor, as it relates to neighborhood and public impacts of growing and use. There is also concern for the scope and scale of residential growing as it relates to safe irrigation, lighting, ventilation, etc. Problems associated with home growing include odor, mold, pests, electrical fires, and theft.

To address these issues, I have been consulting the city attorney about providing regulations related to home grows (inside, outside and accessory structures; number of plants; applicability of building codes). Many codes already exist and can be enforced. However, ventilation is a tough one. For this, regulators recommend a general odor ordinance. This is something we are looking into.

On the use side, we are considering options for ordinances that might control outdoor consumption. This will almost certainly include publicly owned lands and right-of-ways. There is also consideration for outdoor use on private property as well.

I expect to work with Metro and our attorney in the coming weeks to create some ordinance language to regulate grow operations at residences, as well as outdoor use. Should the city adopt an ordinance to opt out of all commercial recreational marijuana activities (see Recreational Marijuana Ordinance below), this ordinance may also be the conduit to control general marijuana activities.

- ✓ **CENSUS COMPLETE COUNT COMMITTE** *(No Change of Status)*
  Mr. Cramer will lead the Swartz Creek Complete Count Committee. I am hopeful that we will have more resources for him to use as we proceed. At this time, there are no meetings or activities planned. The 2020 census count will be vital to the city's ability to understand our service needs and in calculating many state and federal funding streams.

- ✓ **FIRE AGREEMENT** *(No Change of Status)*
  The current fire agreement expires in September. I expect to be working with Clayton Township to negotiate terms for its extension.

- ✓ **GIS MAPS** *(No Change of Status)*
  The city maintains detailed maps of infrastructure. Some of these maps include Global Informational Systems data (satellite delineated geo-spatial data on location of features that includes a data base of related data). For example, we have geo-coded location data on city water hydrants that includes a digital database on valve composition, condition, and maintenance.

  We are working with Rowe to expand our capabilities in this arena. We are in the process of geo-locating and providing initial data fields for storm sewer, sanitary sewer, and undocumented water distribution features. As it happens, the Genesee County Drain Commission is engaging in a similar effort. We are working with them to ensure our data matches and can be shared equally and adequately. If the data sets and maps match in their scale, the county should be able to reimburse use for some of the charges resulting from the creation of the maps and data fields.

The result will be a much more useful and publicly accessible map and informational database relating to our water, sewer, storm, and street infrastructure. This will help disseminate information, plan improvements, and show results.

✓ **SERVICE LINE INSURANCE PROPOSAL** ***(Business Item)***

I am including their template letter. I requested a more toned down version, but I have not received one. They do indicate that the city has final say in the marketing materials and there are options with more disclaimers and separation in the relationship. I am not very comfortable at this point, and NLC does not seem inclined to assuage that lack of comfort. I have put this on the agenda for discussion, but I am not recommending approval or including a resolution. The previous report follows:

I have followed up with this insurance provider. They offer insurance, priced at approximately $8/month to community residents, to cover the costs of failed water and sewer leads on private property. They provide this service to many Michigan communities.

While water service issues are not common, sewer lines in Winchester Village are prone to collapse and other forms of failure due to their age (~60 years), composition (clay), & location (rear yards).

They request participation by the city to validate the company in their marketing so that potential participants have more comfort with the system. The partnership would include agreement on what components of the lines are private (insurable) and public (city-responsibility). Most notable, they request the ability to use the city letterhead and logo in their mailings, which the city will have the right to review and approve. The only other company that does this is the water system cross connection inspection service that we provide by contract.

They also offer an incentive program in which the city would be paid $0.50 per month, per subscriber. This money could be used to support water and sewer programming or support related loss programming (e.g. sewer backup compensation or system repairs). If desirable, the city can opt-out of this revenue stream, saving the direct cost to participants. If the city opts to participate, I recommend we do so and reduce the price to end-users.

✓ **OVERHEAD WIRES ON VACANT LAND** *(No Change of Status)*

We are seeking removal or relocation of the overhead wires on the vacant city-owned property on Fortino Drive between Chase Bank and Gass Becker Insurance. This lot is not currently in use, but any reuse including parking, could be problematic with the wires and poles in their current location. I will keep the council informed.

✓ **SKILL GAME ORDINANCE** *(No Change of Status)*

I received an application to allow a ‘skill game’ at a local retail business in the city. This is not a feature of our ordinance that was clearly defined. One definition of a ‘skill game’ is:

> Game of skill refers to any game, contest, or amusement of any description in which the designating element of the outcome is the judgment, skill, or adroitness

of the participant in the contest and not chance. [Wedges/Ledges of California v. City of Phoenix, 24 F.3d 56, 63 (9th Cir. 1994)]

Initially, it appeared that the game could be a minor ancillary use for a retail or hospitality business (e.g. a single Pac-man game at the local pizza parlor). However, upon investigation, it became apparent that this use often provides its own customer base and includes features in line with gambling.

Once again, we are faced with the blurring of lines between a skill game that might return tickets for good play at a kids' arcade, with something that returns currency, credits, or other items of value that is more in line with traditional gambling or the sweepstakes concept that was popular a few years ago.

The pending application was not complete, due to the lack of information on the function of the game units sought. The additional information was not submitted, so the permit cannot be reviewed.

In the meantime, I sought an opinion from the attorney. They believe that such devices would be best defined in the gambling section of our code. I continue to work with them to better define what is an ancillary use, an arcade use, and a gambling use. It is my intention to deliver an ordinance amendment to the council to effect changes that make this use predictable to business owners and the general public.

- ✓ **DISTRACTED DRIVING** *(No Change of Status)*
  There is more movement in the state to implement and enforce distracted driving provisions. Some cities are creating their own ordinances, and there is interest in doing so in Swartz Creek as well. I have reached out to Chief Bade and our city attorney about the matter to see how our police powers could be legally applied and reasonably enforced.

- ✓ **OTHER COMMUNICATIONS & HAPPENINGS** *(See Individual Category)*

  - ✓ **MONTHLY REPORTS** ***(Update)***
    The monthly budget report is included.

  - ✓ **CONSUMERS LED CONVERSION UPDATE** ***(Update)***
    Consumers Energy is now updating the old high pressure sodium bulbs to LED's when there is a bulb failure. This has been happening for the past half year or so. Ultimately, this will save the city money. However, we are having some billing disputes with them as they begin separate billing for the new LED's without generating clear savings from the HPS elimination. Note that we are administratively updating the service agreement to reflect these changes, once audited, since this process will be ongoing and incremental until all bulbs are updated. A flyer on their plan is attached.

- ✓ **BOARDS & COMMISSIONS** *(See Individual Category)*
  - ✓ **PLANNING COMMISSION** ***(Update)***
    The commission met on July 2. They reviewed the incentive program materials (see above). The next meeting is scheduled for August 6, 2019. I expect a site plan

for a modular Biggby on the Meijer site to be on the agenda. Mr. Juan Zuniga was appointed to the commission and will have orientation this month.

- ✓ **DOWNTOWN DEVELOPMENT AUTHORITY** ***(Update)***
  The DDA met on June 13th. They affirmed officers for the next year and approved their budget. Mr. Mardlin resigned, leaving a vacancy on the nine member board that has been filled by veteran commission Robert Plumb. The July 11th meeting was cancelled, and the next regular meeting is scheduled for August 6.

- ✓ **ZONING BOARD OF APPEALS** *(No Change of Status)*
  There are no meeting scheduled at this point.

- ✓ **PARKS AND RECREATION COMMISSION** ***(Update)***
  The Park Board met on July 3 at city hall. They considered the dog park, slip and slide, and storage.

  The next meeting will be on August 7.

- ✓ **BOARD OF REVIEW** ***(Update)***
  The BoR will met at the city offices on Tuesday, July 16th at 10:30 a.m. to hear principle residency exemptions, poverty exemptions, veteran exemptions, and clerical appeals. There were two PRE and three veteran exemptions.

NEW BUSINESS / PROJECTED ISSUES & PROJECTS

- ✓ **MOTT COMMUNITY COLLEGE** ***(Update)***
  A representative from MCC will be at the meeting to give an update on college related issues.

- ✓ **BIKES ON THE BRICKS** ***(Resolution)***
  The Bikes on the Bricks event is approaching. This event is centered in downtown Flint, but many communities participate now in various ways. In the past, there have been rides, both formal and informal through the city. This year, there is a proposal to pass through the community on Elms Road with a police escort on September 7, 2019. A complete map of the journey is attached.

  The group is seeking a resolution to enable review by the county of the entire route and related permitting. Since a police escort is provided, this may not strictly be necessary, but it doesn't hurt to make it formal. The time is noted as 10am-1pm, but this covers the entire window of the ride. The impact on the city will not be as profound. The resolution and materials are included.

Council Questions, Inquiries, Requests, Comments, and Notes

Storm Damage: The southwest part of town took an extreme beating from high winds and rain on July 15th. Damage, though limited in area to the Village and west part of downtown, was severe. We experienced massive but short lived flooding, power outages, and many downed trees. The National Weather Service was exploring the area and records for findings to determine if there

was a tornado touchdown or ‘micro burst.’ Our crews, with the help of hired crews, were able to catch up on wood chipping. The fire and police services were great assets as well. As of writing, power is restored and roads/sidewalks are clear. It is unclear if this will impact our general fund at this point.

City of Swartz Creek
RESOLUTIONS
Regular Council Meeting, Monday, July 22, 2019, 7:00 P.M.

Resolution No. 190722-4A **MINUTES – July 8, 2019**

Motion by Councilmember: _____

I Move the Swartz Creek City Council approve the Minutes of the Regular Council Meeting held Monday, July 8, 2019, to be circulated and placed on file.

Second by Councilmember: _____

Voting For:_____
Voting Against: _____

Resolution No. 190722-5A **AGENDA APPROVAL**

Motion by Councilmember: _____

I Move the Swartz Creek City Council approve the Agenda as presented / printed / amended for the Regular Council Meeting of July 22, 2019, to be circulated and placed on file.

Second by Councilmember: _____

Voting For: _____
Voting Against: _____

Resolution No. 190722-6A **CITY MANAGER'S REPORT**

Motion by Councilmember: _____

I Move the Swartz Creek City Council accept the City Manager's Report of July 22, 2019, including reports and communications, to be circulated and placed on file.

Second by Councilmember: _____

Voting For: _____
Voting Against: _____

Resolution No. 190722-8B **RESOLUTION TO APPROVE A COMMERCIAL LEASE AGREEMENT WITH LASERS FLOWERS AND GIFTS, LLC, LOCATED AT 8002 MILLER ROAD**

Motion by Councilmember: _____

WHEREAS, the city has acquired a commercial structure located at 8002 Miller Road, Parcel ID Number 58-35-576-049, that is undergoing repairs and improvement; and

WHEREAS, the structure is occupied by an existing business that leases the bottom floor for retail space; and

WHEREAS, the upper floor will soon be ready for residential occupancy; and

WHEREAS, the retail tenant intends to continue to occupy the retails space, seeks to occupy the residential space, and purchase the property after all improvements are finalized; and

WHEREAS, the city recognizes that investment dollars may be recovered from the sale of this property, but additional proceeds may not be recovered per in-place tax foreclosure regulations.

NOW, BE IT RESOLVED, the Swartz Creek City Council hereby approves and restates the lease agreement with Lasers Flowers and Gifts, LLC, as included in the city council packet of July 22, 2019.

BE IF FURTHER RESOLVED, the City Council directs the Mayor to execute the agreement on behalf of the city and further directs the Treasurer to account for any proceeds from rents collected along with any future sale proceeds of the property.

Second by Councilmember: _____

Voting For: _____
Voting Against: _____

Resolution No. 180722-8C **RESOLUTION TO AUTHORIZE BIKES ON THE BRICKS, INC TO MAKE APPLICATION TO THE GENESEE COUNTY ROAD COMMISSION TO USE RIGHT-OF-WAY IN SWARTZ CREEK ON SEPTEMBER 7, 2019**

Motion by Councilmember: _____

WHEREAS, the City owns, operates, and maintains public streets and the corresponding right-of-ways; and

WHEREAS, the Bikes on the Bricks, Inc group is proposing a police escorted ride through Genesee County, including numerous local municipalities, on September 7, 2019; and

WHEREAS, the Genesee County Road Commission is coordinating the route and permit requirements.

NOW, BE IT RESOLVED, the Bikes on the Bricks, Inc is hereby authorized to make Application to the Genesee County Road Commission on behalf of the City of Swartz Creek in the county of Genesee, Michigan, for the necessary permits to allow a police escorted ride on Elms Road on September 7, 2019 at approximately 10am to 1pm within the right of way of the City of Swartz Creek City and that the City of Swartz Creek will faithfully fulfill all permit requirements, and will indemnify and save harmless all persons

from claims of every kind arising out of operations authorized by such permit(s) as is (are) issued.

BE IF FURTHER RESOLVED, the City Council otherwise permits the Bikes on the Bricks, Inc group to conduct the police escorted ride as indicated above under the direction of the Chief of Police and Street Administrator.

Second by Councilmember: _____

Voting For: _____
Voting Against: _____

Resolution No. 190722-8D **RESOLUTION TO AFFIRM SALE, INCLUDING PURCHASE AND DEVELOPMENT AGREEMENT, FOR PROPERTY OWNED BY THE CITY**

Motion by Councilmember: _____

WHEREAS, the city owns two lots of the Supervisors Plat located on the northwest corner of Morrish Road and Paul Fortino Drive, PID's 58-35-576-001 & 58-35-576-002; and

WHEREAS, the community has been engaged in finding a preferred option for the permanent use of these parcels; and

WHEREAS, the Downtown Development Authority, in working with the public and other city commission and staff, finds that downtown housing is a feasible use that would further the vision of a small community, vibrant downtown; and

WHEREAS, the DDA conceived and planned for the use of the site with the help of a professional architect and subsequently invited developers to proceed with partnering in the development of the site; and

WHEREAS, RBF Construction presented themselves as the only local developer with capacity and a desire to meet the expectations of the DDA; and

WHEREAS, the DDA and RBF then jointly proceeded to detail site plan and architectural renderings, eventually recommending approval to the planning commission in early 2019; and

WHEREAS, RBF then submitted a site plan that was approved by the city on June 10, 2019; and

WHEREAS, the city desires to transfer the property to RBF Construction, with conditions, so development of the site may commence; and

WHEREAS, the city has been working with RBF on determining the total project scope, available incentives, and cost as competing terms in finalizing a sale value; and

WHEREAS, the city approved a draft purchase agreement for a warranty deed sale on June 10, 2019; and

WHEREAS, the purchase agreement has been made available for public inspection for over 30 days, in accordance with the City's Land Sale Policy of April 28, 2014.; and

NOW, THEREFORE, BE IT RESOLVED, the City of Swartz Creek City Council affirms the sale of the parcels and directs the Mayor to complete and execute the purchase agreement as included in the July 22, 2019 city council packet.

BE IT FURTHER RESOLVED, the Mayor is authorized to execute any and all other instruments and forms related to the sale as deemed necessary and advisable by the city attorney and closing title company.

Second by Councilmember: _____

Voting For: _____
Voting Against: _____

Resolution No. 190722-8E

RESOLUTION TO APPROVE AN ORDINANCE # 441 TO AMEND THE CODE OF ORDINANCES OF THE CITY OF SWARTZ CREEK BY ADDING SECTIONS 33 THROUGH 46 TO CHAPTER 19, ARTICLE II OF THE CODE OF ORDINANCES OF THE CITY OF SWARTZ CREEK TO REGULATE AND RESTRICT THE USE OF GROUNDWATER IN CERTAIN AREAS OF THE CITY OF SWARTZ CREEK DUE TO THE PRESENCE OF GROUNDWATER CONTAMINATION RESULTING FROM A RELEASE PURSUANT TO Part 201, ENVIRONMENTAL REMEDIATION, or PART 213, LEAKING UNDERGROUND STORAGE TANKS, OF THE NATURAL RESOURCE AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451 AS AMENDED.

Motion by Councilmember: _____

WHEREAS, the City of Swartz Creek acquired 5012 Holland Drive ("Property") from Genesee County and subsequently removed the known fuel tanks and above grade structures; and

WHEREAS, ExxonMobil desired to proceed with soil removal and site restoration, making the site available for reuse; and

WHEREAS, the City of Swartz Creek ("City"), ExxonMobil Oil Corporation ("ExxonMobil"), and Groundwater & Environmental Services, Inc. ("Consultant") entered into a Limited Site License Agreement ("Agreement") for the purpose of granting

a limited license to enter upon certain described property upon the terms and conditions specified in the Agreement on April 10, 2017; and

WHEREAS, the site was substantially remediated as a result of that agreement, with the understanding that other conditions, including a prohibition on area wells, would apply; and

WHEREAS, the Swartz Creek City Council further directed staff to proceed with the preparation of the groundwater restriction ordinance for review by the City Council; and

WHEREAS, ExxonMobil and their consultants further engaged in subsurface exploratory work, well audits, and public outreach, including a public hearing and presentation on April 23, 2019 related to the creation of said ordinance; and

WHEREAS, the ordinance is ready for adoption.

THEREFORE, I MOVE the City of Swartz Creek ordains:

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE CITY OF SWARTZ CREEK BY ADDING SECTIONS 33 THROUGH 46 TO CHAPTER 19, ARTICLE II OF THE CODE OF ORDINANCES OF THE CITY OF SWARTZ CREEK TO REGULATE AND RESTRICT THE USE OF GROUNDWATER IN CERTAIN AREAS OF THE CITY OF SWARTZ CREEK DUE TO THE PRESENCE OF GROUNDWATER CONTAMINATION RESULTING FROM A RELEASE PURSUANT TO Part 201, ENVIRONMENTAL REMEDIATION, or PART 213, LEAKING UNDERGROUND STORAGE TANKS, OF THE NATURAL RESOURCE AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451 AS AMENDED.

THE CITY OF SWARTZ CREEK ORDAINS:

SECTION 1. AMENDMENT. The Code of Ordinances of the City of Swartz Creek (City), Michigan is amended by adding Sections 33 through 46 in Chapter 19, Article II, to read as follows:

SECTION 2. FINDINGS. The City Council finds that the use of certain wells and groundwater from such wells for human consumption or other purposes may constitute a threat to groundwater resources or a public health risk and endanger the safety of the residents of the City. The identified public health risk affects premises that are located on or in the vicinity of sites that are the source or location of contaminated groundwater, or where there is a known and identified threat of contaminated groundwater from a release. The City Council has determined that it is in the best interests of the public health, safety and welfare to prohibit certain uses of groundwater from wells at properties located in the vicinity of such contaminated sites in order to minimize the public health and welfare risk and protect the City's residents.

SECTION 3. DEFINITIONS. For the purposes of this Ordinance, the words and phrases listed below shall have the following meanings:

A. Abandoned Water Well means an abandoned water well as defined by R 325.1601(1) of the Groundwater Quality Control Rules, Mich. Admin. Code R 325.1601 et seq.

B. Affected Parcel means a parcel of property any part of which is located within a restricted zone.

C. Applicant mean s a person who applies for the establishment of a restricted zone and accompanying regulations pursuant to this Chapter.

D. “Contamination” means groundwater in which there is present concentrations of hazardous substances that exceed the residential drinking water criteria established by the EGLE in operational memoranda or rules promulgated pursuant to Part 201, Environmental Remediation (MCL 324.20101, et seq.), of the Natural Resources and Environmental Protection Act, 1994 PA 451 as amended, MCL 324.101, et seq., and includes “contaminant” as defined by R 325.1602(5) of the Groundwater Quality Control Rules, Mich. Admin. Code R 325.1601 et seq.

E. Groundwater means underground water within the zone of saturation.

F. Influential Well means a Well outside or within a Restricted Zone that, based on reliable hydrogeological data, has the potential to affect the horizontal or vertical migration of Contamination within the Restricted Zone. Reliable hydrogeologic data includes, but is not limited to, hydrogeologic evaluations including pump tests, an analysis of the degree of protection from vertical migration of contamination through geologic barriers, and groundwater modeling. EGLE means the Michigan Department of Environment, Great Lakes, and Energy or its successor agency.

G. Person means any individual, co-partnership, corporation, association, club, joint venture, estate, trust, and any other group or combination acting as a unit, and the individuals constituting such group or unit.

H. Proof of No Influence means groundwater data or other documentation or evidence demonstrating that a Well in a Restricted Zone does not have the potential to affect the horizontal or vertical migration of Contaminated Groundwater within a Restricted Zone, or is otherwise a threat to groundwater resources. Documentation or evidence necessary to demonstrate Proof of No Influence may include, but is not limited to: hydrogeologic evaluations including pump tests; an analysis of the degree of protection from horizontal or vertical migration of contamination within in aquifer or through geologic barriers; and groundwater modeling.

I. Release means a “ release” as defined in Part 201, Environmental Remediation (MCL 324.20101, et seq.), or Part 213, Leaking Underground Storage Tanks (MCL 324.21301a, et seq.) of the Natural Resources and Environmental Protection Act, as amended (MCL 324.101, et seq.).

J. Restricted Zone means an area or areas described within (Section 4 and 5) of this Ordinance for which the prohibition of Wells and the restriction on the use of groundwater applies. The Restricted Zone includes parcels of land that are legally described in this Ordinance, either through passage or amendment to this Ordinance, if provided for. The Restricted Zone includes not only the area of known groundwater

contamination but also a surrounding buffer zone where contamination may be or migrate to.

K. Well means an opening in the surface of the earth for the purpose of removing fresh water or a test well, recharge well, waste disposal well, or a well used temporarily for dewatering purposes during construction, as defined in Part 127, MCL 333.12701(d), groundwater monitoring wells or wells used for remediating contaminated groundwater that are approved by the EGLE or United States Environmental Protection Agency (US EPA), and also includes all of the following:
   1. “Water Supply Well” means a well that is used to provide potable water for drinking or domestic purposes.
   2. “Irrigation Well” means a well that is used to provide water for plants, livestock, or other agricultural purposes.
   3. “Heat Exchange Well” means a well for the purpose of utilizing the geothermal properties of earth formations for heating or air conditioning.
   4. “Industrial Well” means a well that is used to supply water for industrial purposes, fire protection, or similar nonpotable uses.

SECTION 4. RESTRICTED ZONES.

A. The following described areas in the City shall be Restricted Zones as defined under this Ordinance. The Restricted Zones may be referred to by reference to the names provided in the caption preceding their descriptions:

1. General Name and Description

An area described as commencing from the southeast corner of the Miller Road and Hayes Street intersection, then south along the east right of way line for Hayes Street to Ingalls Street, then easterly along the north right of way line for Ingalls Street to Morrish Road, then northerly along the west right of way line for Morrish Road until Miller Road; and then west along the south right of way line for Miller Road to the point of commencement at Hayes Street.

2. A scaled map illustrating the boundaries of the restricted zone is attached as “Exhibit lA.” A listing of the addresses and parcel numbers of each Affected Parcel within the Restricted Zone is contained within the attached “Exhibit lB.” For sites regulated under Part 213, the exhibit must also include the legal description for each Affected Parcel within the Restricted Zone.

3. The application and all supporting documentation shall be maintained by the City Clerk.

B. Except as provided in Section 8 of this Ordinance and after the effective date of this Ordinance, no person or legal entity shall install or allow or permit or provide for the installation or utilization of a well on any Affect ed Parcel on which the person or legal entity has an ownership interest, or lessee or tenant interest, or control within the Water Well Restricted Z one. Affected Parcel within the Restricted Zone shall be serviced only by public water supply as described in Chapter 19, Article II of the Code of Ordinances.

SECTION 5. ADDITION, REPEAL OR AMENDMENT OF RESTRICTED ZONES.

An Applicant, Owner, or an entity involved in performing remedial actions or corrective actions in order to seek approval of a Response Activity Plan or a No Further Action Report under Part 201; a Final Assessment Report or Closure Report under Part 213; or other interested party may request in writing to the City Manager to add affected parcels to or delete affected parcels from a Restricted Zone, establish an additional Restricted Zone or to otherwise amend or repeal a Restricted Zone. The request must describe the justification for the addition, repeal or amendment of the Restricted Zone and include the EGLE's written and specific concurrence with the requested action.

SECTION 6. ADDING NEW RESTRICTIVE ZONES. The City Council may amend this ordinance to add new Restricted Zones in accordance with the following procedure.

A. An Applicant shall first file a request with the City Manager advising the City of the Applicant's interest in establishing a Restricted Zone pursuant to this Ordinance. The notice shall describe the proposed boundaries of the proposed Restricted Zone, the reason for the proposed Restricted Zone, a preliminary map of the proposed Restricted Zone, the proposed time schedule for implementing the proposed Restricted Zone, and the proposed groundwater use restrictions to be applicable within the Restricted Zone. The City Manager will, after notifying the City Council of the notice of intent, respond to the Applicant with a preliminary and non-binding indication of the City's willingness to consider the proposed Restricted Zone. The City Manager or other designated City officer may also be an Applicant for purposes of initiating this procedure.

B. The Applicant shall seek and obtain the EGLE's approval of the proposed Restricted Zone and proposed groundwater use restrictions to be applicable therein prior to filing an application with the City. In order to be considered by the City, the Restricted Zone must minimize or eliminate the need for restrictive covenants on property that is not owned or operated by and is not subject to remediation by a party responsible for the contaminated groundwater. The creation of a Restricted Zone should have the effect of eliminating the need for non-responsible parties to impose environmental restrictive covenants on their properties or otherwise be beneficial to the owners or occupants of property that was not the site of a release.

C. If any Affected Parcels which will be subject to the new Restricted Zone is not already served by City water service, the Applicant shall ensure such service is, if it is possible from an engineering perspective to do so, served with City water service at no cost to the property owners or occupant. The Applicant shall also provide for the abandonment and plugging of conforming, nonconforming or irrigation wells on any Affected Parcel without cost to the owners or occupants of the premises and in compliance with Section 7. In the event an existing irrigation well is abandoned and plugged, at the owner's request, the Applicant shall also bear the cost of connecting the irrigation system to the City water utility and installing a separate meter and all associated plumbing. Proof of the provision of such service and plugging/abandonment of such wells shall be required or an escrow account shall be established therefor in an amount and form acceptable to the City Council.

D. After the EGLE approves the proposed Restricted Zone as an alternative to restrictive covenants on property on which no release has occurred, an Applicant shall

file with the City Manager a formal request to the City including, at a minimum, the following information. The information can be in the form of a proposed remedial action plan, response activity plan, or corrective action plan or other similar document if appropriate cross-references are made for ease of reference.

1. The name, address, telephone number, and e-mail address (Applicant only) of the Applicant, as well as each person having an interest as owner, tenant, easement holder or mortgagee in the real property which is the source or site of the contaminated groundwater, if known.

2. The street address and legal description of the real property which is a source or site of the contaminated groundwater, if known, and the nature of the Applicant's relationship to that property and involvement concerning the contaminated groundwater.

3. The nature and extent of the contaminated groundwater and the contamination causing it, both in summary form in plain English and in detail in technical terms, stating that the release is regulated under Part 201 or Part 213 of the NREPA; the types and concentrations of contaminants; a map or survey showing their current location; a statement of their likely or anticipated impact on groundwater and the nature of the risks presented by the use of the groundwater, as well as the likely or anticipated path of migration if not remediated or corrected and a detailed statement of any plan to remediate, correct, and/or contain the contamination.

4. A detailed map and legal description of the proposed Restricted Zone.

5. The street addresses and general description of all Affected Parcel.

6. The names, addresses (mailing and street), and telephone numbers (if already available) of the Owners of all Affected Parcel.

7. The location, status, and usage characteristics of all existing Groundwater Wells within the proposed Restricted Zone.

8. A detailed statement or description of the proposed regulation or prohibition of the use of existing and future Wells within the Restricted Zone needed to adequately protect the public from the potential health hazards associated with the contaminated Groundwater, including a description of permissible uses of such Wells, together with the written consent of the EGLE to such uses of Groundwater.

9. A description and time schedule for any actions the Applicant will take to implement any remediation plan, mitigate the adverse impact of the Restricted Zone (e.g., providing substitute water service), and to properly close and abandon any existing Wells subject to the use prohibition within the proposed Restricted Zone.

10. A copy of the information submitted to the EGLE concerning the proposed Restricted Zone, along with a written statement from an EGLE representative with approval authority stating that the proposed Restricted Zone and use regulations have received EGLE approval as part of the response actions for the Groundwater contamination. The EGLE's approval may be contingent upon the City's establishment of the proposed Restricted Zone pursuant to this section.

11. Copies of the notice provided to the Genesee County Health Department concerning the Restricted Zone and accompanying regulations, and the Genesee County Health Department's written acknowledgment that it will not issue permits for prohibited Wells within the Restricted Zone.

12. The Applicant also agrees to pay any additional costs beyond the established application fee necessary to properly evaluate the application. These may include, but are not limited to: the fees of environmental consultants and legal counsel, and any per diem or other amounts paid to public officials for attending any special meetings, etc. The Applicant shall also consent to the placement of a lien on the Applicant's premises if the amounts due under this section are not paid within 30 days of the issuance of an invoice by the City.

E. Along with the application, the Applicant shall pay an application fee and any related costs per the City's fee schedule as adopted by the City Council. Any failure by the Applicant to pay fees and costs as required by this provision may result in the City's discontinuance of its processing of the request to establish a Restricted Zone and can result in the filing of a lien against the premises of the Applicant.

F. Once the City Manager or his or her designee is satisfied that the application is complete, the City Manager shall place the matter on the City Council agenda to set a time, date, and place for a public hearing on the application.

G. Along with the application, the Applicant shall submit to the City Manager a list of the Affected Parcel including the Parcel ID, site address, and the mailing address for the owner, tenant, easement holder, or mortgagee of any Affected Parcel, if known. The City shall cause a written notice of the hearing to be sent by first class mail to all persons having an interest as owner, tenant, easement holder, or mortgagee in any of the Affected Parcel. The notice shall include a brief statement regarding the application fairly designed to inform the recipients of its main features and potential impact on the recipients in general. The notice shall be mailed at least fifteen (15) days prior to the hearing. The notice of hearing shall also be published in a newspaper of general circulation in the City at least fifteen (15) days before the hearing. Affidavit of Publication shall be obtained by the City. The notice shall also be mailed to the EGLE representative who gave the approval of the proposed restricted zone and use regulations and the EGLE District Supervisor for the EGLE regulatory program with jurisdiction over the contaminated site.

H. Upon the establishment of a new Restricted Zone (i.e., after the second reading and approval of the ordinance amendment), the City Clerk shall publish notice of the amendment to this Chapter in the manner required by law for ordinance amendments.

The Applicant shall give notice to the owners and occupants of all property on which wells are known to be located of the need to close and abandon Wells under this Chapter as amended.

SECTION 7. WELLS AFFECTING CONTAMINATED GROUNDWATER.

No Well may be used or installed at any place in the City if the use of the Well will have the effect of causing the migration of contaminated Groundwater or a contaminated Groundwater plume to previously unimpacted Groundwater or adversely impacting any Groundwater treatment system, unless the Well is part of a EGLE or US EPA approved Groundwater monitoring or remediation system.

SECTION 8. NON-CONFORMING WELLS

Any existing Well, the use of which is prohibited by this Ordinance or any Abandoned Water Well, shall be plugged in conformance with the Groundwater Quality Control Rules, Mich. Admin. Code R 325.1601 et seq. and as approved by the Genesee County Health Department or the MDEQ. Any non-conforming well shall be plugged within 30 days following establishment of the restricted zone.

SECTION 9. EXCEPTIONS.

A. Existing Water Supply Wells - Municipal Water Service is Unavailable. Municipal water service is considered unavailable if a water main is more than 500 feet from a property line. For purposes of this exception, a Water Supply Well may be considered safe and suitable for use if the Water Supply Well does not pose a health or safety hazard, or is not a threat to groundwater resources (e.g., causing the migration of contaminated groundwater into uncontaminated portions of an aquifer or improper well construction). The Applicant requesting the creation of the Restricted Zone as a land or resource use restriction shall comply with the following requirements:

1. If recommended by the EGLE or the Genesee County Health Department to be necessary, provide for sampling of the Water Supply Well on a pre-determined basis by a qualified consultant. The sample shall be analyzed by a EGLE-approved laboratory using approved laboratory methodology with the costs to be borne by the Applicant who requests the establishment of the Restricted Zone;

2. If required under a. above, the Applicant who requests the establishment of the Restricted Zone promptly provides the EGLE and the Genesee County Health Department with the analytical results and certification that the water quality meets applicable Part 201 Residential Drinking Water Criteria; and

3. If, at any time, during the duration of the groundwater use restriction the Water Supply Well is determined to be a health or safety hazard by the EGLE and/or Genesee County Health Department due to the presence of a hazardous or regulated substance at a concentration that exceeds applicable Part 201 Residential Drinking Water Criteria, a threat to the groundwater resources, or is otherwise an Abandoned Water Well, the Water Supply Well must be promptly

plugged and an alternate water supply provided by the Applicant who requests the establishment of the Restricted Zone.

B. Construction of de-watering wells. Wells in the Restricted Zone used for construction de-watering are not prohibited by this Ordinance, provided that:

1. The use of the dewatering Well will not result in unacceptable exposure to Contaminated Groundwater, possible cross-contamination between saturated zones, or exacerbation of Contaminated Groundwater, as defined in Part 201 of the NREPA; and

2. The water generated by that activity is properly handled and disposed in compliance with all applicable laws and regulations. Any exacerbation caused by the use of Wells under this exception shall be the responsibility of the Person operating the dewatering Well, as provided in Part 201 of the NREPA.

C. Groundwater monitoring and remediation Wells. Wells used for Groundwater monitoring and/or remediation as part of response activity or corrective action approved by the EGLE or US EPA are not prohibited by this Ordinance.

Wells Not Used As A Water Supply Well. If the owner of a Well not used as a Water Supply Well in a Restricted Zone demonstrates that the use of a Well for non-contact heating, cooling, irrigation, or industrial activities, including discharges incidental to such use, will not cause the future migration of Contamination or Contamination of any other environmental media, the City, upon consultation with and recommendation of the Genesee County Health Department and EGLE, may execute a waiver allowing the use of the Well. The person requesting this exception shall provide the necessary Proof of No Influence.

D. Public Emergencies. A Well may be used in the event of a public emergency. Notice of such use shall be provided to the EGLE within a reasonable time thereafter.

SECTION 10. PENALTY

A. Any Person or legal entity who shall violate any provision of this Ordinance shall be deemed guilty of a misdemeanor offense punishable by imprisonment for not more than 90 days or by fine of not more than $500 or both such fine and imprisonment.

B. Each act of violation and each day upon which such violation occurs or continues shall constitute a separate offense.

C. In addition, the City Manager may seek an order from a court of appropriate jurisdiction to restrain any person from violating this Ordinance, including the collection of costs and attorney fees associated with such enforcement action. Any Well in violation of this Ordinance shall also be declared and deemed a nuisance, subject to abatement, and shall be immediately taken out of service and lawfully abandoned consistent with all applicable state and local regulations. Any person found to be in violation is subject to being ordered by a court of appropriate jurisdiction to properly and lawfully remove or abandon the Well.

SECTION 11. INFLUENTIAL WELLS.

No Influential Well may be used or installed without approval by the EGLE.

SECTION 12. PROHIBITION ON USING EXISTING RESTRICTED ZONES FOR FUTURE CLOSURES.

When Contaminated Groundwater is attributed to and comingled from different sources of environmental contamination, a Restricted Zones shall be established for each separate source area even when the Restricted Zones overlap. Any proposed Restricted Zone shall be established in accordance with Section 6 of this Ordinance.

SECTION 13. BUILDING OR IMPROVEMENT PERMIT.

No permit for building, alteration or other required permit for a premises or improvement thereon shall be issued by the City for any Affected Parcel found in violation of this Ordinance or where it is proposed to install or use a Well in violation of this Ordinance.

SECTION 14. NOTIF ICATION OF INTENT TO AMEND OR REPEAL.

At least thirty (30) days prior to any amendment or repeal in whole or in part of this Ordinance, the City of Swartz Creek shall notify the Michigan Department of Environmental Quality, or its successor agency, of its intent to so act.

SECTION 15. PUBLISHING AND RECORDING.

This Ordinance or an amendment to this Ordinance shall be published or recorded a s follows:

A. If the release, for which this Ordinance or amendment to this ordinance is sought, is regulated pursuant to Part 201 of the NREPA, this ordinance shall be published and maintained in the same manner as a zoning ordinance.

B. If the release, for which this Ordinance or amendment to this ordinance is sought, is regulated pursuant to Part 213 of the NREPA, this Ordinance or an amendment to this Ordinance adding a Restricted Zone shall be filed with the Genesee County Register of Deeds as an Ordinance affecting multiple properties.

SECTION 16. SEVERABILITY.

If any article, section, subsection, sentence, clause, phrase or portion of this Ordinance is held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of the Ordinance, it being the intent of the City of Swartz Creek that this Ordinance shall be fully severable. The City of Swartz Creek shall promptly notify the EGLE upon the occurrence of any event described in this section.

SECTION 17. CONFLICT WITH OTHER ORDINANCES

All ordinances or parts of ordinances in conflict with any of the provisions of this Ordinance are hereby repealed.

SECTION 18. EFFECTIVE DATE.

This Ordinance shall be in full force and effect twenty (20) days after its publication as provided by law.

Exhibit 1A - Figure Indicating Water Well Restriction Zone

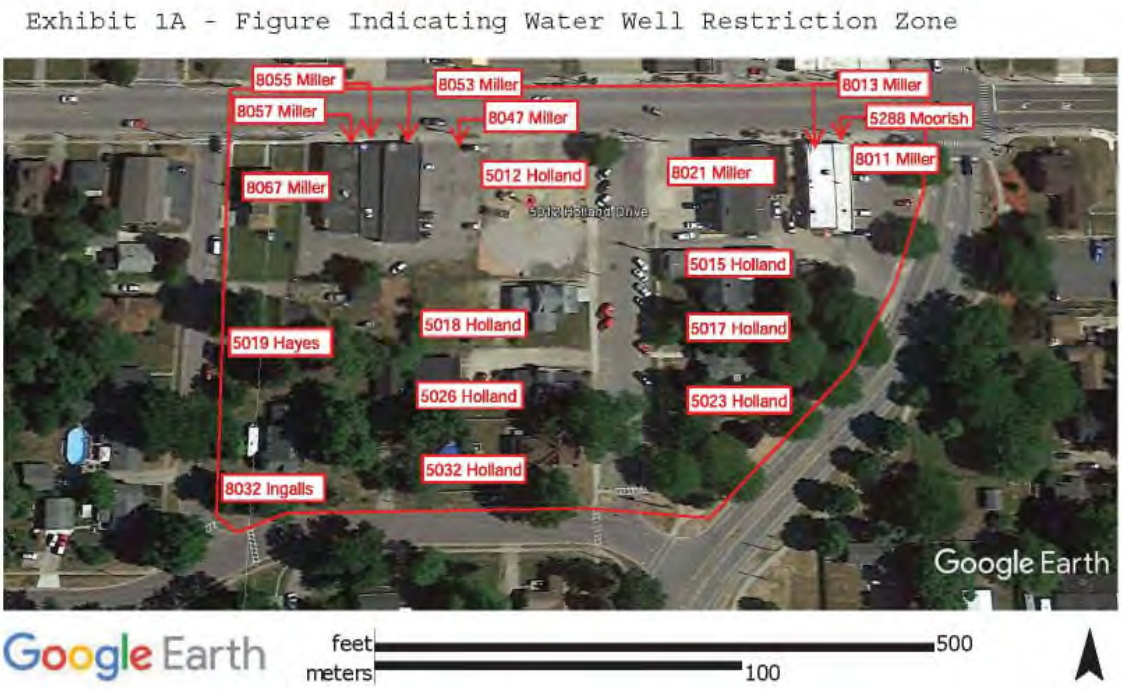


Exhibit 1B: List of Properties Included in the Groundwater Ordinance

Steven Moore 8067 Miller Road
Swartz Creek, MI 48473 Parcel Number 58-02-529-021
W 55 FT of LOT 2 BLK 1 AND W 55 FT OF LOT 4 BLK 1 VILLAGE OF SWARTZ CREEK SEC 2 T6N R5E

Marie Lovegrove Revocable Trust
8057 Miller Road
Swartz Creek, MI 48473 Parcel Number 58-02-529-020
LOT 2 BLK 1 EXCEPT W 55 FT ALSO EXCEPT E 35 FT & LOT 4 BLK 1 EXCEPT W 55 FT ALSO EXCEPT E 35 FT VILLAGE OF SWARTZ CREEK SEC 2 T6N R5E

Marie Lovegrove Revocable Trust
8055 Miller Road

Swartz Creek, MI 48473
same Parcel number as above 58-02-529-020
LOT 2 BLK 1 EXCEPT W 55 FT ALSO EXCEPT E 35 FT & LOT 4 BLK 1 EXCEPT W 55 FT ALSO EXCEPT E 35 FT VILLAGE OF SWARTZ CREEK SEC 2 T6N R5E

Marie Lovegrove Revocable Trust
8053 Miller Road
Swartz Creek, MI 48473 Parcel Number 58-02-529-019
E 35 FT OF LOT 2 BLK 1 & E 35 FT OF LOT 4 BLK 1 VILLAGE OF SWARTZ CREEK SEC 2 T6N R5E

Marie Lovegrove Revocable Trust 8047 Miller Road
Swartz Creek, MI 48473 Parcel Number 58-02-529-018
W 65 FT OF LOT 1 BLK 1 & W 65 FT OF LOT 3 BLK 1 VILLAGE OF SWARTZ CREEK SEC 2 T6N R5E

Luea's Properties Plus, LLC / Luea's Pharmacy 8021 Miller Road
Swartz Creek, MI 48473 Parcel Number 58-01-100-047
A PARCEL OF LAND BEG AT NW COR OF SEC TH E 150 FT TH S 130 FT TH S 130 FT TH W 20.88 FT TH N 10 FT TH W to SEC LINE TH N TO PL OF BEG SEC 1 T6N R5E (08) .42A FR 58-01-100-036/037/038/039

MLPB, LLC
8013 Miller Road Swartz Creek, MI 48473
Parcel Number 58-01-100-040
A PARCEL OF LAND BEG 150 FT E OF NW COR OF SEC TH S 125 FT TH E 50 FT TH N 125 FT TH W 50 FT TO PLACE OF BEG SEC 01 T6N R5E .14 A

Nemecek and Sweeney, LLC
8011 Miller Road
Swartz Creek, MI 48473 Parcel Number 58-01-100-041
A PARCEL OF LAND BEG 200 FT E OF NW COR OF SEC TH S 120 FT TH E 16 FT TH N 120 FT TH W 16 FT TO PL OF BEG SEC 01 T6N R5E .04 A

City of Swartz Creek 5012 Holland Drive Swartz Creek, MI 48473
Parcel Number 58-02-529-017
E 17.5 FT OF LOT 1 BLK 1 & E 100 FT OF LOT 3 BLK 1 & SCHOOL LOT VILLAGE OF SWARTZ CREEK SEC 2 T6N R5E

Dawn Jamison 5015 Holland Drive
Swartz Creek, MI 48473 Parcel Number 58-01-100-035
A PARCEL OF LAND BEG S 0* 44 MIN W 140.92 FROM NW COR OF SEC TH S 88* 38 MIN E 219 FT TH S 0* 44 MIN W 23.78 FT TH N 89* 17 MIN 20 SEC W 218.98 FT TH N 0* 44 MIN E 26.29 FT TO PLACE OF BEG SEC 1 T6N R5E (76)

Dawn and Erik Jamison
5017 Holland Drive
Swartz Creek, MI 48473 Parcel Number 58-01-100-034

A PARCEL OF LAND BEG S 0* 44 MIN W 167.21 FT FROM NW COR OF SEC TH S 89* 17 MIN 20 SEC E 218.98 FT TH S 38* 25 MIN 37 SEC W 73.58 FT TH S 88* 38 MIN E 90 FT TH S 14.50 FT TH W 16 RDS TH N 0* 44 MIN E 56.21 FT TO PLACE OF BEG SEC 1 T6N R5E (76)

5023 Holland House LLC / Hull Stephens & Associates Architects 5023 Holland Drive
Swartz Creek, MI 48473 Parcel Number 58-01-100-032
A PARCEL OF LAND BEG S 0 DEG 44 MIN W 223.42 FT FROM NW COR OF SEC TH S 0 DEG 44 MIN W 58 FT TH S 88 DEG 38 MIN E 129.55 FT TH N 38 DEG 25 MIN 57 SEC E 72.68 FT TH N 88 DEG 38 MIN W 174 FT TO PL OF BEG SEC 1 T6N R5E (85) FR 5800003212

Marla & Carla Martin 5018 Holland Drive Swartz Creek, MI 48473
Parcel Number 58-02-529-005
LOT 5 BLK 1 VILLAGE OF SWARTZ CREEK SEC 2 T6N R5E

Jason Keene
5026 Holland Drive Swartz Creek, MI 48473
Parcel Number 58-02-529-007
LOT 7 BLK 1 VILLAGE OF SWARTZ CREEK SEC 2 T6N R5E

Daniel and Vesta Meissner
5032 Holland Drive
Swartz Creek, MI 48473 Parcel Number 58-02-529-009
LOT 9 BLK 1 VILLAGE OF SWARTZ CREEK SEC 2 T6N R5E

Terry Coy 5019 Hayes
Swartz Creek, MI 48473 Parcel Number 58-02-529-006
LOT 6 BLK 1 VILLAGE OF SWARTZ CREEK SECT 2 T6N R5E

Thomas & Kassandra Doty 8032 Ingalls Street
Swartz Creek, MI 48473 Parcel Number 58-02-529-008
LOTS 8 & 10 BLK 1 VILLAGE OF SWARTZ CREEK (77)

At a regular meeting of the City Council of Swartz Creek held on the _____ day of _____, 2019, Councilmember _____ moved for adoption of the ordinance and Councilmember _____ supported the motion.

The Mayor declared the ordinance adopted.

_____
David Krueger
Mayor

_____
Connie Eskew
Clerk

CERTIFICATION

The foregoing is a true copy of Ordinance No. 441 which was enacted by the Swartz Creek City Council at a regular meeting held on the _____ day of _____, 2019.

_____
Connie Eskew
City Clerk

Second by Councilmember: _____

Voting For: _____
Voting Against: _____

CITY OF SWARTZ CREEK
SWARTZ CREEK, MICHIGAN
MINUTES OF THE REGULAR COUNCIL MEETING
DATE 07/08/2019

The meeting was called to order at 7:00 p.m. by Mayor Krueger in the Swartz Creek City Council Chambers, 8083 Civic Drive.

Invocation and Pledge of Allegiance.

Councilmembers Present:	Cramer, Farmer, Hicks, Krueger, Pinkston.
Councilmembers Absent:	Gilbert, Root.
Staff Present:	City Manager Adam Zettel, Clerk Connie Eskew.
Others Present:	Lania Rocha, Bob Plumb, Steve Shumaker, Nate Henry, Erik Jamison, Vanessa Warren OHM, Juan Zuniga, Jim Barclay, Chris Stritmatter City Attorney.

APPROVAL OF MINUTES

Resolution No. 190708-01 **(Carried)**

Motion by Councilmember Cramer
Second by Councilmember Hicks

I Move the Swartz Creek City Council approve the Minutes of the Regular Council Meeting held Monday June 24, 2019 to be circulated and placed on file.

YES Farmer, Hicks, Krueger, Pinkston, Cramer.
NO: None. Motion Declared Carried.

APPROVAL OF AGENDA

Resolution No. 190708-02 **(Carried)**

Motion by Councilmember Farmer
Second by Councilmember Cramer

I Move the Swartz Creek City Council approve the Agenda as, presented for the Regular Council Meeting of July 8, 2019, to be circulated and placed on file.

YES: Hicks, Krueger, Pinkston, Cramer, Farmer.
NO: None. Motion Declared Carried.

EXCUSE COUNCILMEMBERS GILBERT & ROOT

Resolution No. 190708-03 **(Carried)**

Motion by Councilmember Cramer
Second by Councilmember Hicks

I Move the Swartz Creek City Council excuse Councilmember Gilbert and Councilmember Root.

YES: Unanimous Voice Vote.
NO: None. Motion declared carried.

CITY MANAGER'S REPORT

Resolution No. 190708-04 **(Carried)**

Motion by Councilmember Hicks
Second by Councilmember Cramer

I Move the Swartz Creek City Council accept the City Manager's Report of July 8, 2019, including reports and communications to be circulated and placed on file.

Discussion Ensued.

YES: Krueger, Pinkston, Cramer, Farmer, Hicks.
NO: None. Motion Declared Carried.

MEETING OPENED TO THE PUBLIC:

None.

COUNCIL BUSINESS:

RESOLUTION TO APPOINT OFFICIALS TO THE PLANNING COMMISSION & DOWNTOWN DEVELOPMENT AUTHORITY

Resolution No. 190708-05 **(Carried)**

Motion by Mayor Pro Tem Pinkston
Second by Councilmember Cramer

WHEREAS, the laws of the State of Michigan, the Charter and Ordinances of the City of Swartz Creek, interlocal agreements in which the City of Swartz Creek is a member, and previous resolutions of the city council require and set terms of offices for various appointments to city boards and commissions, as

well as appointments to non-city boards and commissions seeking representation by city officials; and

WHEREAS, there exists a vacancy on the Planning Commission and Downtown Development Authority; and

WHEREAS, said appointments are Mayoral appointments, subject to affirmation of the city council.

NOW, THEREFORE, BE IT RESOLVED, the Swartz Creek City Council concur with the Mayor and City Council appointment as follows:

#190708-05C1 **MAYOR APPOINTMENT**: **Robert Plumb**
DDA, Non-property interest/resident
Four Year Term, expiring June 30, 2023

#190624-05C2 **MAYOR APPOINTMENT**: **Juan Zuniga**
Planning Commission, Resident
Three year term, expiring June 30, 2022

Discussion Ensued.

YES: Pinkston, Cramer, Farmer, Hicks, Krueger.
NO: None. Motion Declared Carried.

RESOLUTION TO AMEND THE PARK RULES FOR THE PURPOSE OF OPERATING A DOG PARK

Resolution No. 190708-06 **(Carried)**

Motion by Councilmember Cramer
Second by Councilmember Farmer

WHEREAS, the City of Swartz Creek owns, operates, and maintains public park and recreation facilities and desires to promote safe and equitable use of those facilities; and

WHEREAS, the city regulates use of city parks through the adoption of “Park Rules and Regulations” as enabled by City Ordinance Section 11-47, Park Rules and Regulations, which reads as follows: the City Council may by resolution adopt rules and regulations governing the use of parks, including prohibitions or restrictions on uses and acts within parks; and

WHEREAS, the city park and recreation commission recommends amending of the attached Park Rules and Regulations to enable the operation of a dog park as donated by community Boy Scouts of America members.

NOW, THEREFORE, BE IT RESOLVED, the Swartz Creek City Council hereby approve the amended park rules as attached.

Discussion Ensued.

YES: Cramer, Farmer, Hicks, Krueger, Pinkston.
NO: None. Motion Declared Carried.

A RESOLUTION TO APPROVE INCENTIVE PROGRAM GUIDELINES FOR SELECT PROPERTIES IN THE CITY AS PART OF THE REDEVELOPMENT READY COMMUNITIES INITIATIVE

Resolution No. 190708-07 **(Carried)**

Motion by Councilmember Farmer
Second by Councilmember Cramer

WHEREAS, the city, in pursing certification as a Redevelopment Ready Community, must demonstrate an ability to provide for site-specific incentives for select redevelopment sites within the city, and;

WHEREAS, specific properties shall be noted in the community economic development strategy as priority sites for redevelopment, and;

WHEREAS, such sites are noted to have functional, environmental, or other deficiencies that makes reuse, preservation, and enhancement financially impractical, and;

WHEREAS, staff has consulted with the Swartz Creek Planning Commission, CIB Planning, and the MEDC to compile a set of tools that will be most likely to have a positive impact on repurposing existing RRC sites and similar sites without compromising public processes, fairness in treatment/access to incentives, or public services, and;

WHEREAS, guidelines, a checklist, processes, and an application have been developed to enable the incentive program in a manner that meets the intent of the program and is predictable, fair, and proportionate to the benefit produced, and;

WHEREAS, the Planning Commission recommended approval of the incentive program, with changes, at their regular meeting on July 2, 2019.

NOW, THEREFORE, BE IT RESOLVED, the City of Swartz Creek City Council hereby approves the Swartz Creek RRC Incentive Program, including the attached application, checklist, and policy guidelines, which shall enable consideration of incentives for development projects within the city that meet program criteria.

Discussion Ensued.

YES: Cramer, Farmer, Hicks, Krueger, Pinkston.
NO: None. Motion Declared Carried.

RESOLUTION TO APPROVE PRELIMINARY ENGINEERING FOR THE GENESEE VALLEY TRAIL EXTENSION

Resolution No. 190708-08 **(Carried)**

Motion by Councilmember Hicks
Second by Councilmember Farmer

WHEREAS, the City of Swartz Creek Master Plan, as well as the Parks and Recreation Plan, encourage the establishment and expansion of a non-motorized trail system within the city that will connect to the Genesee Valley Trail at Dye Road; and

WHEREAS, the city has been awarded conditional grant funds from the Michigan Department of Transportation to support the construction of this trail extension; and

WHEREAS, an application is pending with the Michigan Department of Natural Resources to provide additional funds for this project, with said announcement expected to occur in late fall of 2019; and

WHEREAS, the city seeks to bid the project immediately after such award is announced in order to get better pricing on the construction elements of the project; and

WHEREAS, the State of Michigan Public Act 51 requires that street authorities allocate 1% or greater of their road revenues to non-motorized transportation; and

WHEREAS, OHM Advisors, the city engineering firm that designed the schematic engineering that is being used to request grant support, has submitted a proposal for the preliminary engineering of the project that will be required for bidding.

THEREFORE, I MOVE the City of Swartz Creek City Council approves the schematic engineering proposal submitted by OHM Advisors on July 3, 2019, funds to be paid from Fund 101 General Fund and/or Fund 202, the Major Street Fund, as directed by the city treasurer, in the amount of $82,500.00 and further directs the Mayor to execute said proposal on behalf of the city.

Discussion Ensued.

YES: Farmer, Hicks, Krueger, Pinkston, Cramer.
NO: None. Motion Declared Carried.

MEETING OPENED TO THE PUBLIC:

Michael Berry, 9251 Jill Marie concerns on the Fortino Drive/Morrish Road project. He would like a performance bond required and he was concerned about the selling price of the property. He was also concerned of the proposed selling price of the townhomes, he felt it was high.

REMARKS BY COUNCILMEMBERS:

Councilmember Cramer discussed the Michigan Brownfield Redevelopment Program brochure he passed out.

Councilmember Farmer reminded everyone that the Slip & Slide is Saturday, July 20th 11-4 @ Elms Park.

Councilmember Hicks commented on the Cappy and Fairchild intersection stop signs.

Mayor Pro Tem Pinkston commented on the proposed sports betting bill.

Mayor Krueger thanked Councilmember Cramer for the brochure.

ADJOURNMENT

Resolution No. 190708-09 **(Carried)**

Motion by Mayor Pro Tem Pinkston
Second by Councilmember Farmer

I Move the Swartz Creek City Council adjourn the regular meeting at 7:59 p.m.

Unanimous Voice Vote.

_____ _____

David A. Krueger, Mayor **Connie Eskew, City Clerk**

REVENUE AND EXPENDITURE REPORT FOR CITY OF SWARTZ CREEK
PERIOD ENDING 06/30/2019

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 06/30/2019	YTD BALANCE BALANCE	% BDGT USED
Fund 101 - General Fund					
000.000 - General	2,293,643.00	2,316,789.17	2,153,494.81	163,294.36	92.95
215.000 - Administration and Clerk	75.00	75.00	48.60	26.40	64.80
253.000 - Treasurer	1,000.00	7,109.07	6,229.07	880.00	87.62
301.000 - Police Dept	5,400.00	5,760.10	5,095.10	665.00	88.46
345.000 - PUBLIC SAFETY BUILDING	18,200.00	18,200.00	30,244.75	(12,044.75)	166.18
410.000 - Building & Zoning & Planning	51,350.00	59,205.00	89,789.25	(30,584.25)	151.66
448.000 - Lighting	8,990.00	8,990.00	9,135.72	(145.72)	101.62
728.005 - Holland Square Streetscape	0.00	90,000.00	90,000.00	0.00	100.00
782.000 - Facilities - Abrams Park	195.00	195.00	210.00	(15.00)	107.69
783.000 - Facilities - Elms Rd Park	7,600.00	7,600.00	9,385.32	(1,785.32)	123.49
786.000 - Non-Motorized Trailway	0.00	15,000.00	15,000.00	0.00	100.00
790.000 - Facilities-Senior Center/Libr	8,200.00	8,200.00	7,886.08	313.92	96.17
790.012 - CDBG Senior Center Operations	1,724.00	1,724.00	1,701.43	22.57	98.69
794.000 - Community Promotions Program	0.00	0.00	504.19	(504.19)	100.00
TOTAL REVENUES	2,396,377.00	2,538,847.34	2,418,724.32	120,123.02	
000.000 - General	1,000.00	350.00	3,145.57	(2,795.57)	898.73
101.000 - Council	16,708.82	19,102.20	18,104.03	998.17	94.77
172.000 - Executive	103,388.18	117,506.36	116,684.22	822.14	99.30
201.000 - Finance,Budgeting,Accounting	46,874.00	47,448.93	46,109.86	1,339.07	97.18
215.000 - Administration and Clerk	28,262.00	30,771.02	27,876.25	2,894.77	90.59
228.000 - Information Technology	16,300.00	16,652.42	18,174.87	(1,522.45)	109.14

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 06/30/2019	YTD BALANCE BALANCE	% BDGT USED
247.000 - Board of Review	6,104.00	6,037.50	2,382.68	3,654.82	39.46
253.000 - Treasurer	42,127.00	42,132.63	40,351.22	1,781.41	95.77
257.000 - Assessor	48,198.00	48,194.93	46,266.47	1,928.46	96.00
262.000 - Elections	39,358.40	39,065.98	32,354.65	6,711.33	82.82
266.000 - Legal Council	15,500.00	16,449.22	20,215.22	(3,766.00)	122.89
301.000 - Police Dept	0.00	8,475.59	8,475.59	0.00	100.00
301.266 - Legal Council PSFY	0.00	1,633.50	1,633.50	0.00	100.00
301.851 - Retiree Employer Health Care PSFY	24,000.00	22,366.50	21,138.79	1,227.71	94.51
334.000 - Metro Police Authority	995,200.00	995,200.00	970,927.00	24,273.00	97.56
336.000 - Fire Department	178,200.00	188,741.45	168,676.79	20,064.66	89.37
345.000 - PUBLIC SAFETY BUILDING	51,632.26	51,632.26	42,057.05	9,575.21	81.45
410.000 - Building & Zoning & Planning	81,648.24	99,737.97	109,667.94	(9,929.97)	109.96
410.025 - 2017 CDBG 5157 Morrish Demo	375.00	375.00	0.00	375.00	0.00
448.000 - Lighting	140,000.00	138,600.00	107,901.01	30,698.99	77.85
463.000 - Routine Maint - Streets	0.00	15,850.18	15,850.18	0.00	100.00
728.005 - Holland Square Streetscape	0.00	482,770.00	230,985.91	251,784.09	47.85
781.000 - Facilities - Pajtas Amphitheat	2,217.98	2,217.66	1,154.53	1,063.13	52.06
782.000 - Facilities - Abrams Park	41,629.78	40,783.30	32,167.66	8,615.64	78.87
783.000 - Facilities - Elms Rd Park	62,552.39	62,795.93	61,734.13	1,061.80	98.31
783.016 - Elms Park Brm-Trail Reno RP15-0003	2,710.50	982.85	982.85	0.00	100.00
784.000 - Facilities - Bicentennial Park	1,527.00	1,482.68	1,531.93	(49.25)	103.32
786.000 - Non-Motorized Trailway	150,000.00	0.00	0.00	0.00	0.00
787.000 - Veterans Memorial Park	3,273.55	3,226.15	2,409.45	816.70	74.68

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 06/30/2019	YTD BALANCE BALANCE	% BDGT USED
790.000 - Facilities-Senior Center/Libr	36,065.22	35,722.30	32,255.80	3,466.50	90.30
790.012 - CDBG Senior Center Operations	1,724.00	1,724.00	1,701.43	22.57	98.69
793.000 - Facilities - City Hall	19,468.56	19,270.28	16,951.62	2,318.66	87.97
794.000 - Community Promotions Program	32,056.05	35,107.08	38,953.93	(3,846.85)	110.96
796.000 - Facilities - Cemetary	2,535.77	4,819.00	4,231.01	587.99	87.80
797.000 - Facilities - City Parking Lots	105,825.60	12,375.60	15,536.53	(3,160.93)	125.54
851.000 - Retired Employee Health Care	26,800.00	26,800.00	21,132.42	5,667.58	78.85
852.000 - Insurance Claims Assessmernt (Tax)	110.00	110.00	17.20	92.80	15.64
965.000 - Transfers Out	168,730.00	278,730.00	278,730.00	0.00	100.00
TOTAL EXPENDITURES	2,492,102.30	2,915,240.47	2,558,469.29	356,771.18	
Fund 101 - General Fund:					
TOTAL REVENUES	2,396,377.00	2,538,847.34	2,418,724.32	120,123.02	95.27
TOTAL EXPENDITURES	2,492,102.30	2,915,240.47	2,558,469.29	356,771.18	87.76
NET OF REVENUES & EXPENDITURES	(95,725.30)	(376,393.13)	(139,744.97)	(236,648.16)	
Fund 202 - Major Street Fund					
000.000 - General	419,300.00	419,300.00	417,329.67	1,970.33	99.53
441.000 - Miller Rd Park & Ride	5,200.00	5,200.00	5,127.45	72.55	98.60
449.500 - Right of Way - General	0.00	1,250.00	1,250.00	0.00	100.00
453.105 - Fairchild-Cappy to Miller TIP	230,601.00	75,663.00	23,677.09	51,985.91	31.29
463.000 - Routine Maint - Streets	0.00	287.50	287.50	0.00	100.00
474.000 - Traffic Services	0.00	0.00	4,805.75	(4,805.75)	100.00
478.000 - Snow & Ice Removal	500.00	2,350.00	3,620.04	(1,270.04)	154.04
TOTAL REVENUES	655,601.00	504,050.50	456,097.50	47,953.00	
228.000 - Information Technology	825.00	825.00	1,497.34	(672.34)	181.50
429.000 - Occupational Safety	26.91	26.91	0.00	26.91	0.00

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 06/30/2019	YTD BALANCE BALANCE	% BDGT USED
441.000 - Miller Rd Park & Ride	6,787.80	6,787.80	5,996.35	791.45	88.34
448.000 - Lighting	0.00	0.00	90,547.00	(90,547.00)	100.00
449.500 - Right of Way - General	10,000.00	10,000.00	9,787.62	212.38	97.88
449.501 - Right of Way - Storms	200.00	15,920.00	14,539.50	1,380.50	91.33
453.105 - Fairchild-Cappy to Miller TIP	288,251.00	92,330.71	21,539.02	70,791.69	23.33
463.000 - Routine Maint - Streets	104,333.87	151,238.87	88,575.14	62,663.73	58.57
463.104 - Winston Drive Reconstruction	1,200.00	1,200.00	299.88	900.12	24.99
463.307 - Oakview - Seymour to Chelmsford	0.00	22,500.00	20,273.25	2,226.75	90.10
463.308 - Winston - Oakview to Chesterfield	0.00	5,000.00	1,700.00	3,300.00	34.00
473.000 - Routine Maint - Bridges	400.00	400.00	0.00	400.00	0.00
474.000 - Traffic Services	39,708.00	39,683.00	31,372.81	8,310.19	79.06
478.000 - Snow & Ice Removal	41,544.80	81,066.20	38,446.71	42,619.49	47.43
482.000 - Administrative	18,887.00	18,885.00	9,461.30	9,423.70	50.10
538.500 - Intercommunity storm drains	7,000.00	7,000.00	3,654.67	3,345.33	52.21
786.000 - Non-Motorized Trailway	20,000.00	20,000.00	0.00	20,000.00	0.00
965.000 - Transfers Out	85,000.00	85,000.00	85,000.00	0.00	100.00
TOTAL EXPENDITURES	624,164.38	557,863.49	422,690.59	135,172.90	
Fund 202 - Major Street Fund:					
TOTAL REVENUES	655,601.00	504,050.50	456,097.50	47,953.00	90.49
TOTAL EXPENDITURES	624,164.38	557,863.49	422,690.59	135,172.90	75.77
NET OF REVENUES & EXPENDITURES	31,436.62	(53,812.99)	33,406.91	(87,219.90)	
Fund 203 - Local Street Fund					
000.000 - General	133,125.00	133,125.00	169,770.40	(36,645.40)	127.53
449.000 - Right of Way Telecomm	15,000.00	15,000.00	19,950.37	(4,950.37)	133.00
449.500 - Right of Way - General	0.00	1,250.00	1,250.00	0.00	100.00

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 06/30/2019	YTD BALANCE BALANCE	% BDGT USED
463.000 - Routine Maint - Streets	475.00	475.00	409.00	66.00	86.11
478.000 - Snow & Ice Removal	300.00	1,600.00	2,466.76	(866.76)	154.17
931.000 - Transfers IN	596,500.00	596,500.00	596,500.00	0.00	100.00
TOTAL REVENUES	745,400.00	747,950.00	790,346.53	(42,396.53)	
228.000 - Information Technology	825.00	825.00	1,497.35	(672.35)	181.50
429.000 - Occupational Safety	0.00	174.70	174.70	0.00	100.00
448.000 - Lighting	0.00	0.00	9,021.00	(9,021.00)	100.00
449.500 - Right of Way - General	8,800.00	15,558.84	24,236.09	(8,677.25)	155.77
449.501 - Right of Way - Storms	1,500.00	1,100.00	0.00	1,100.00	0.00
463.000 - Routine Maint - Streets	261,810.47	271,095.47	218,043.24	53,052.23	80.43
463.103 - Worchester/Chesterfield Reconstruction	0.00	4,312.78	4,312.78	0.00	100.00
463.105 - Daval Reconcstruction	96,386.78	96,386.78	56,458.26	39,928.52	58.57
463.106 - Hemsley Reconstruction	0.00	63,635.00	22,363.25	41,271.75	35.14
463.107 - Chelmsford - Seymour to Oakview	0.00	19,790.00	20,090.25	(300.25)	101.52
463.108 - Oxford Court	0.00	10,000.00	2,520.25	7,479.75	25.20
474.000 - Traffic Services	8,990.20	13,385.54	19,981.85	(6,596.31)	149.28
478.000 - Snow & Ice Removal	50,206.02	72,335.85	38,632.26	33,703.59	53.41
482.000 - Administrative	19,538.64	18,801.08	11,525.95	7,275.13	61.30
538.500 - Intercommunity storm drains	6,800.00	5,070.45	3,654.67	1,415.78	72.08
TOTAL EXPENDITURES	454,857.11	592,471.49	432,511.90	159,959.59	
Fund 203 - Local Street Fund:					
TOTAL REVENUES	745,400.00	747,950.00	790,346.53	(42,396.53)	105.67
TOTAL EXPENDITURES	454,857.11	592,471.49	432,511.90	159,959.59	73.00
NET OF REVENUES & EXPENDITURES	290,542.89	155,478.51	357,834.63	(202,356.12)	

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 06/30/2019	YTD BALANCE BALANCE	% BDGT USED
Fund 204 - MUNICIPAL STREET FUND					
000.000 - General	628,290.00	628,290.00	630,134.97	(1,844.97)	100.29
TOTAL REVENUES	628,290.00	628,290.00	630,134.97	(1,844.97)	
905.000 - Debt Service	164,444.40	164,444.40	164,500.23	(55.83)	100.03
965.000 - Transfers Out	462,000.00	462,000.00	461,500.00	500.00	99.89
TOTAL EXPENDITURES	626,444.40	626,444.40	626,000.23	444.17	
Fund 204 - MUNICIPAL STREET FUND:					
TOTAL REVENUES	628,290.00	628,290.00	630,134.97	(1,844.97)	100.29
TOTAL EXPENDITURES	626,444.40	626,444.40	626,000.23	444.17	99.93
NET OF REVENUES & EXPENDITURES	1,845.60	1,845.60	4,134.74	(2,289.14)	
Fund 226 - Garbage Fund					
000.000 - General	393,465.00	393,465.00	399,473.72	(6,008.72)	101.53
TOTAL REVENUES	393,465.00	393,465.00	399,473.72	(6,008.72)	
000.000 - General	10,373.00	10,373.00	0.00	10,373.00	0.00
101.000 - Council	5,865.88	5,865.88	3,125.31	2,740.57	53.28
172.000 - Executive	8,937.06	8,883.07	7,297.45	1,585.62	82.15
201.000 - Finance,Budgeting,Accounting	6,497.00	7,081.89	7,234.78	(152.89)	102.16
215.000 - Administration and Clerk	4,587.00	4,803.55	4,402.13	401.42	91.64
228.000 - Information Technology	2,200.00	2,200.00	2,176.55	23.45	98.93
253.000 - Treasurer	7,993.00	7,795.53	7,555.51	240.02	96.92
257.000 - Assessor	3,000.00	2,805.97	0.00	2,805.97	0.00
528.000 - Sanitation Collection	282,905.90	288,706.62	287,963.66	742.96	99.74
530.000 - Wood Chipping	41,993.60	40,849.14	35,343.74	5,505.40	86.52
782.000 - Facilities - Abrams Park	3,366.80	5,015.42	7,708.05	(2,692.63)	153.69
783.000 - Facilities - Elms Rd Park	5,384.54	6,124.53	9,161.94	(3,037.41)	149.59
793.000 - Facilities - City Hall	3,904.49	4,059.62	3,902.26	157.36	96.12

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 06/30/2019	YTD BALANCE BALANCE	% BDGT USED
TOTAL EXPENDITURES	387,008.27	394,564.22	375,871.38	18,692.84	
Fund 226 - Garbage Fund:					
TOTAL REVENUES	393,465.00	393,465.00	399,473.72	(6,008.72)	101.53
TOTAL EXPENDITURES	387,008.27	394,564.22	375,871.38	18,692.84	95.26
NET OF REVENUES & EXPENDITURES	6,456.73	(1,099.22)	23,602.34	(24,701.56)	
Fund 248 - Downtown Development Fund					
000.000 - General	49,600.00	54,603.98	54,587.35	16.63	99.97
728.004 - Family Movie Night	1,000.00	1,000.00	2,000.00	(1,000.00)	200.00
TOTAL REVENUES	50,600.00	55,603.98	56,587.35	(983.37)	
173.000 - DDA Administration	3,365.00	3,365.00	2,815.30	549.70	83.66
728.000 - Economic Development	10,125.00	14,288.75	14,183.75	105.00	99.27
728.002 - Streetscape	101,200.00	101,200.00	90,000.00	11,200.00	88.93
728.003 - Facade Program	10,000.00	26,486.75	4,750.50	21,736.25	17.94
728.004 - Family Movie Night	3,900.00	3,900.00	5,713.34	(1,813.34)	146.50
TOTAL EXPENDITURES	128,590.00	149,240.50	117,462.89	31,777.61	
Fund 248 - Downtown Development Fund:					
TOTAL REVENUES	50,600.00	55,603.98	56,587.35	(983.37)	101.77
TOTAL EXPENDITURES	128,590.00	149,240.50	117,462.89	31,777.61	78.71
NET OF REVENUES & EXPENDITURES	(77,990.00)	(93,636.52)	(60,875.54)	(32,760.98)	
Fund 350 - City Hall Debt Fund					
000.000 - General	14.50	14.50	16.34	(1.84)	112.69
931.000 - Transfers IN	88,730.00	88,730.00	88,730.00	0.00	100.00
TOTAL REVENUES	88,744.50	88,744.50	88,746.34	(1.84)	
905.000 - Debt Service	89,480.00	89,480.00	89,480.00	0.00	100.00
TOTAL EXPENDITURES	89,480.00	89,480.00	89,480.00	0.00	
Fund 350 - City Hall Debt Fund:					
TOTAL REVENUES	88,744.50	88,744.50	88,746.34	(1.84)	100.00
TOTAL EXPENDITURES	89,480.00	89,480.00	89,480.00	0.00	100.00

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 06/30/2019	YTD BALANCE BALANCE	% BDGT USED
NET OF REVENUES & EXPENDITURES	(735.50)	(735.50)	(733.66)	(1.84)	
Fund 402 - Fire Equip Replacement Fund					
000.000 - General	70.00	0.00	(225.83)	225.83	100.00
931.000 - Transfers IN	30,000.00	140,000.00	140,000.00	0.00	100.00
TOTAL REVENUES	30,070.00	140,000.00	139,774.17	225.83	
336.000 - Fire Department	0.00	250,000.00	213,182.98	36,817.02	85.27
TOTAL EXPENDITURES	0.00	250,000.00	213,182.98	36,817.02	
Fund 402 - Fire Equip Replacement Fund:					
TOTAL REVENUES	30,070.00	140,000.00	139,774.17	225.83	99.84
TOTAL EXPENDITURES	0.00	250,000.00	213,182.98	36,817.02	85.27
NET OF REVENUES & EXPENDITURES	30,070.00	(110,000.00)	(73,408.81)	(36,591.19)	
Fund 590 - Water Supply Fund					
000.000 - General	1,100.00	1,100.00	2,227.89	(1,127.89)	202.54
540.000 - Water System	2,164,550.00	2,164,570.00	2,154,009.85	10,560.15	99.51
TOTAL REVENUES	2,165,650.00	2,165,670.00	2,156,237.74	9,432.26	
000.000 - General	71,858.10	71,858.10	0.00	71,858.10	0.00
101.000 - Council	8,736.44	8,579.94	7,856.69	723.25	91.57
172.000 - Executive	28,347.05	28,750.03	27,714.33	1,035.70	96.40
201.000 - Finance,Budgeting,Accounting	20,581.00	22,610.00	22,260.88	349.12	98.46
215.000 - Administration and Clerk	17,209.00	16,984.91	16,516.42	468.49	97.24
228.000 - Information Technology	6,855.00	6,855.00	7,679.33	(824.33)	112.03
253.000 - Treasurer	28,629.00	29,431.99	28,856.59	575.40	98.04
540.000 - Water System	1,974,615.10	2,112,239.55	1,691,214.13	421,025.42	80.07
542.000 - Read and Bill	53,243.20	53,384.37	47,015.05	6,369.32	88.07
543.230 - Water Main Repair USDA Grant	0.00	219,123.00	231,120.50	(11,997.50)	105.48
793.000 - Facilities - City Hall	9,588.51	10,822.89	9,764.80	1,058.09	90.22

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 06/30/2019	YTD BALANCE BALANCE	% BDGT USED
850.000 - Other Functions	12,000.00	12,000.00	0.00	12,000.00	0.00
905.000 - Debt Service	49,115.60	49,115.60	49,136.43	(20.83)	100.04
TOTAL EXPENDITURES	2,280,778.00	2,641,755.38	2,139,135.15	502,620.23	
Fund 590 - Water Supply Fund:					
TOTAL REVENUES	2,165,650.00	2,165,670.00	2,156,237.74	9,432.26	99.56
TOTAL EXPENDITURES	2,280,778.00	2,641,755.38	2,139,135.15	502,620.23	80.97
NET OF REVENUES & EXPENDITURES	(115,128.00)	(476,085.38)	17,102.59	(493,187.97)	
Fund 591 - Sanitary Sewer Fund					
000.000 - General	1,080.00	1,080.00	8,706.95	(7,626.95)	806.20
536.000 - Sewer System	1,287,485.00	1,287,485.00	1,262,734.34	24,750.66	98.08
TOTAL REVENUES	1,288,565.00	1,288,565.00	1,271,441.29	17,123.71	
000.000 - General	23,582.50	23,159.87	0.00	23,159.87	0.00
101.000 - Council	8,336.44	8,344.24	7,856.96	487.28	94.16
172.000 - Executive	29,315.89	28,714.17	27,598.79	1,115.38	96.12
201.000 - Finance,Budgeting,Accounting	19,646.00	22,586.94	22,259.95	326.99	98.55
215.000 - Administration and Clerk	15,744.00	16,853.02	16,512.65	340.37	97.98
228.000 - Information Technology	6,900.00	6,900.00	7,679.33	(779.33)	111.29
253.000 - Treasurer	29,730.00	29,831.03	28,857.25	973.78	96.74
536.000 - Sewer System	950,565.12	951,941.51	557,950.19	393,991.32	58.61
537.000 - Sewer Lift Stations	14,257.20	14,668.91	12,397.78	2,271.13	84.52
542.000 - Read and Bill	59,561.04	58,976.91	57,436.95	1,539.96	97.39
543.401 - Flush & TV Sewers	30,904.00	42,199.00	72,199.00	(30,000.00)	171.09
543.408 - Sewer Rehab Phase 8	220,000.00	207,855.00	148,674.00	59,181.00	71.53
793.000 - Facilities - City Hall	10,861.55	10,507.58	9,738.94	768.64	92.68
850.000 - Other Functions	10,000.00	10,000.00	0.00	10,000.00	0.00

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 06/30/2019	YTD BALANCE BALANCE	% BDGT USED
TOTAL EXPENDITURES	1,429,403.74	1,432,538.18	969,161.79	463,376.39	
Fund 591 - Sanitary Sewer Fund:					
TOTAL REVENUES	1,288,565.00	1,288,565.00	1,271,441.29	17,123.71	98.67
TOTAL EXPENDITURES	1,429,403.74	1,432,538.18	969,161.79	463,376.39	67.65
NET OF REVENUES & EXPENDITURES	(140,838.74)	(143,973.18)	302,279.50	(446,252.68)	
Fund 661 - Motor Pool Fund					
000.000 - General	161,750.00	158,200.00	156,857.99	1,342.01	99.15
TOTAL REVENUES	161,750.00	158,200.00	156,857.99	1,342.01	
172.000 - Executive	11,424.12	9,434.62	9,409.30	25.32	99.73
201.000 - Finance,Budgeting,Accounting	7,602.00	7,617.00	7,425.54	191.46	97.49
228.000 - Information Technology	865.00	850.00	963.05	(113.05)	113.30
795.000 - Facilities - City Garage	153,877.11	214,227.11	134,868.32	79,358.79	62.96
TOTAL EXPENDITURES	173,768.23	232,128.73	152,666.21	79,462.52	
Fund 661 - Motor Pool Fund:					
TOTAL REVENUES	161,750.00	158,200.00	156,857.99	1,342.01	99.15
TOTAL EXPENDITURES	173,768.23	232,128.73	152,666.21	79,462.52	65.77
NET OF REVENUES & EXPENDITURES	(12,018.23)	(73,928.73)	4,191.78	(78,120.51)	
Fund 865 - Sidewalks					
478.000 - Snow & Ice Removal	1,400.00	1,400.00	1,715.00	(315.00)	122.50
TOTAL REVENUES	1,400.00	1,400.00	1,715.00	(315.00)	
478.000 - Snow & Ice Removal	1,950.00	1,950.00	2,345.00	(395.00)	120.26
TOTAL EXPENDITURES	1,950.00	1,950.00	2,345.00	(395.00)	
Fund 865 - Sidewalks:					
TOTAL REVENUES	1,400.00	1,400.00	1,715.00	(315.00)	122.50
TOTAL EXPENDITURES	1,950.00	1,950.00	2,345.00	(395.00)	120.26
NET OF REVENUES & EXPENDITURES	(550.00)	(550.00)	(630.00)	80.00	
Fund 866 - Weed Fund					
000.000 - General	7,000.00	7,000.00	6,150.00	850.00	87.86
TOTAL REVENUES	7,000.00	7,000.00	6,150.00	850.00	

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 06/30/2019	YTD BALANCE BALANCE	% BDGT USED
000.000 - General	1,000.00	1,125.00	1,435.00	(310.00)	127.56
TOTAL EXPENDITURES	1,000.00	1,125.00	1,435.00	(310.00)	
Fund 866 - Weed Fund:					
TOTAL REVENUES	7,000.00	7,000.00	6,150.00	850.00	87.86
TOTAL EXPENDITURES	1,000.00	1,125.00	1,435.00	(310.00)	127.56
NET OF REVENUES & EXPENDITURES	6,000.00	5,875.00	4,715.00	1,160.00	

COMMERCIAL LEASE AGREEMENT

THIS COMMERCIAL LEASE AGREEMENT (hereinafter referred to as the "Lease"), is made effective as of this _____ day of July, 2019, by and between the City of Swartz Creek, a Michigan municipality, of 8083 Civic Drive, Swartz Creek, Michigan 48473 (hereinafter referred to as the "Landlord") and Lisa Moore of _____ and her business entity _____ (“Business”), jointly and severally (hereinafter referred to as the "Tenant").

The following is a recital of certain facts which underlie this Lease:

A. The Landlord is the owner of certain real property located in the Swartz Creek, Genesee County, Michigan, commonly known as 8002 Miller Road, Swartz Creek, Michigan, and consisting of one free standing building; the "Demised Premises" hereunder is the basement, first floor, and second floor of such building.

B. The parties wish to provide a presently have a lease agreement for the Demised Premises, which lease is hereby restated in its entirety by this Lease.

NOW THEREFORE, in consideration of the rents to be paid, and in consideration of the mutual covenants contained herein, it is agreed as follows:

1. Lease of Premises. The Landlord hereby leases to the Tenant and the Tenant hereby leases from the Landlord the Demised Premises. The first floor and basement are to be used for Retail Space for the Tenant’s Business and the second floor of the Demised Premises is to be used as a residential space for Lisa Moore.

2. Term. This Lease shall commence on the date this document is executed and shall continue for the term of one (1) year from and after said date.

3. Use and Compliance With Laws. The use of the Demised Premises shall be in accordance with the following terms:

    a. Compliance With Laws. Tenant will comply with all laws, ordinances, orders, rules, regulations, and other governmental requirements relating to the use, condition, or occupancy of the premises, and all rules, orders, regulations, and requirements of the board of fire underwriters or insurance service office, or any other similar body, having jurisdiction over the building in which the premises are located. The cost of such compliance (including without limitation capital expenditures) will be borne by Tenant. Tenant will not use or occupy the premises, or permit any portion of the premises to be used or occupied:

        i. in violation of any law, ordinance, order, rule, regulation, certificate of occupancy, or other governmental requirement;

        ii. for any disreputable business or purpose; or

iii. in any manner or for any business or purpose that creates risks of fire or other hazards, or that would in any way violate, suspend, void, or increase the rate of fire or liability or any other insurance of any kind at any time carried by Landlord upon all or any part of the building in which the premises are located or its contents.

4. Rent. The Tenant hereby leases said Demised Premises through the term above stated and shall pay to the Landlord rent for said premises as follows:

a. Retail Space Rent. The Tenant shall yield and pay during the continuance of this Lease to the Landlord for "Retail Space Rent" of the Demised Premises the sum of eight hundred and no/00 ($800.00) Dollars per month in lawful money of the United States payable monthly, in advance, upon the first (1st) day of each and every month throughout the term of this Lease. In the event that this Lease term does not begin on the 1st of the month, the first month's rent will be pro-rated to the date of the commencement of the term. Tenant acknowledges that renovations are occurring by the Landlord and when renovations are completed to the Retail Space that Retail Space Rent will increase to one thousand and two hundred and no/00 ($1200.00) Dollars per month in lawful money of the United States payable monthly, in advance, upon the first (1st) day of each and every month throughout the term of this Lease. In the event the renovations are not completed and Retail Space is not occupied in the new renovated Retail Space on the first of the month, the Retail Space rent increase will be pro-rated to the date the renovations are completed.

b. Residential Rent. The Tenant shall yield and pay during the continuance of this Lease to the Landlord for "Basic Rent" of the Demised Premises the sum of eight hundred and no/00 ($800.00) Dollars per month in lawful money of the United States payable monthly, in advance, upon the first (1st) day of each and every month throughout the term of this Lease. In the event that this Lease term does not begin on the 1st of the month, the first month's rent will be pro-rated to the date of the commencement of the term.

c.

d. Additional Rent.

i. Utilities. Tenant shall pay, as "Additional Rent", all utilities, including gas, electric, telephone, water, sewer, and all other utility charges.

ii. "Operating Costs". The Landlord shall pay, as Additional Rent, all "Operating Costs" for the Demised Premises. "Operating Costs" shall mean for this purpose all direct and indirect costs and expenses for operating, maintaining, repairing, managing, insuring and owning the Demised Premises, including, without limitation, the

landscaping, streets, sidewalks and parking areas. By way of illustration and not limitation, Operating Costs include the cost for property taxes pursuant to paragraph 4 b. iii. below; cleaning; snow removal; trash removal; line painting; policing; repairs and replacement (including roof and building repairs and replacement); decorations; music; premiums for the insurance described below; repairs and replacement of paving, curbs, walkways, sewage, landscaping, drainage, and lighting facilities as may be from time to time necessary; all salaries and compensation in connection with such operation and maintenance. Operating Costs shall include depreciation of equipment acquired for use in maintenance.

iii. Taxes. Landlord shall pay real and personal property and other taxes, including any assessments, whether special or general ("Taxes") which may be levied or assessed by any lawful authority against, with respect to or in any way measured by the land and improvements in the Demised Premises which shall be deemed "Operating Costs". All Taxes levied or assessed for or during the term shall be paid on or before the date on which they become delinquent. A copy of a tax bill or assessment bill submitted by Landlord to Tenant shall at all times be sufficient evidence of the amount of the taxes assessed or levied against the property to which the bill relates.

iv. Remedies. In the event of any failure on the part of the Tenant to pay Additional Rent as described above, the Landlord shall have the rights, powers, and remedies provided herein or by law or equity or otherwise in case of non-payment of the Basic Rent.

e. Late Payments by Tenant. The Lease payments fixed herein are based upon prompt payment by the Tenant to the Landlord when payments are due. The parties recognize that late payments involve additional costs for collection, bookkeeping, and the use of funds which would otherwise be available to the Landlord. It is therefore agreed that the Tenant shall pay the Landlord the additional sum of five (5%) percent of the unpaid Lease payment if the Tenant fails to make any of these payments within ten (10) days from the first (1st) day of the month; this late payment addition shall be in addition to any other remedies which the Landlord may have.

f. Payment of Rent. The payment of rent or other sums to be made to the Landlord shall be made at such place as the Landlord shall designate from time to time.

5. Improvement, Condition, and Alteration of Premises.

a. Condition of Premises. No representations, except as are contained herein or endorsed hereon, have been made to the Tenant respecting the condition of said Demised Premises.

b. Alteration of Premises. Tenant may make any alterations, additions, or improvements to the Demised Premises with notice to the Landlord, with the following exception: any alteration, addition, or improvement to the Demised Premises which will reduce the market value of the Demised Premises must be consented to by the Landlord, which consent shall not be unreasonably withheld or denied. All alterations, additions, or improvements (including carpeting or other floor covering and any other alteration, addition or improvement which is in any manner permanently attached to the floors, walls, or ceilings) made by either of the parties hereto upon the Demised Premises shall be the property of the Landlord and shall remain upon and be surrendered with the Demised Premises at the termination of this Lease, without molestation or injury. The Tenant may continue to own and install equipment, office furniture and trade fixtures put in at the expense of the Tenant, provided that they are removed from the Demised Premises and the Demised Premises are restored to their original condition at the cost of the Tenant at the expiration or sooner termination of this Lease.

c. Insurance. Prior to commencement of any work, Tenant shall pay the amount of any increase in premiums on insurance policies provided for herein because of endorsements to be made covering the risk during the course of work. In addition, at the written request of Landlord, Tenant shall, without costs to Landlord, furnish Landlord with a performance bond written by a surety acceptable to Landlord in an amount equal to the estimated cost of the work, guaranteeing the completion of work, free and clear of liens, encumbrances and security interests, according to the approved plans and specifications.

6. Assignment or Subletting. The Tenant will not assign this Lease nor any interest hereunder or any interest in the Tenant; and will not permit any assignment hereof by operation of law; and will not sublet said Demised Premises or any part thereof; and will not permit the use of said Demised Premises by tenants or any parties other than the Tenant, and the agents and servants of the Tenant, without first obtaining the written consent of the Landlord in its sole discretion.

7. Repairs and Maintenance. Tenant shall maintain the entire Demised Premises and appurtenances in good order, condition, replacement and repair. Tenant shall use and occupy the Demised Premises in a careful, safe and proper manner, and shall keep the Demised Premises in a clean and safe condition in accordance with the laws of the state in which the Demised Premises are located and local ordinances and the direction of proper public officers, at the sole cost and expense of Tenant. Tenant shall permit no waste, damage or injury to said premises. At the expiration of the tenancy created hereunder, Tenant shall surrender the Demised Premises in good condition, reasonable wear and tear, loss by fire or other unavoidable casualty excepted. The Landlord shall not be called upon to make any repairs to the Demised Premises except when the Landlord deems it necessary to make the repairs because of the Tenant's failure to make the repairs as required by this

Lease.

a. Landlord will use Retail Space rent and Residential Rent for paying for renovations that will lead to the rent increase for the Retail Space.

8. Default. Events of Default shall be governed by the following provisions:

a. Events of Default. The following occurrences are "Events of Default":

i. Tenant defaults in the due and punctual payment of rent, and the default continues for ten (10) days after written notice from Landlord;

ii. Tenant breaches any of the other agreements, terms, covenants, or conditions that this Lease requires Tenant to perform, and the breach continues for a period of thirty (30) days after written notice by Landlord to Tenant.

b. Remedies. Upon the occurrence of an Event of Default, the Landlord may elect either:

i. To reenter the Demised Premises by summary proceedings and relet the said premises, making reasonable effort therefor, and receiving the rent therefrom, applying the same first to the expenses of reletting and then to the payment of rent accruing hereunder, the balance, if any, to be paid to the Tenant; but, the Tenant shall remain liable for the equivalent of the amount of all rent reserved herein and such amounts shall be due and payable to the Landlord as damages or rent, as the case may be, on the successive rent days hereinabove provided, and the Landlord may recover such amounts periodically on said successive days; Landlord may at any time after reletting terminate the Lease for the breach on which Landlord had based the re-entry and proceed pursuant to (2) below; or

ii. To terminate this Lease and to resume possession of the Demised Premises wholly discharged from this Lease. Such election shall be made by written notice to the Tenant at any time on or before the doing of any act or the commencement of any proceedings to recover possession of the Demised Premises by reason of the default or breach then existing and shall be final.

c. Holding Over. Should said Tenant, with or without the express or implied consent of said Landlord, continue to hold and occupy said premises after the expiration of the term of this Lease, such holding over beyond the term and the acceptance or collection of rent by Landlord, shall operate and be construed as creating a tenancy from month-to-month with the Basic Rent at One Hundred Ten (110%) percent of the above rate, and not for any

other term whatsoever, but the same may be terminated by said Landlord by giving Tenant thirty (30) days' written notice thereof, and at any time thereafter said Landlord may re-enter and take possession of the said premises, any rule in law or equity to the contrary notwithstanding.

d. Non-Waiver. No receipt of money by Landlord from Tenant after default or cancellation of this Lease in any lawful manner shall (1) reinstate, continue or extend the term or affect any notice given to Tenant; (2) operate as a waiver of the right of Landlord to enforce the payment of rent and additional rent then due or falling due; or (3) operate as a waiver of the right of Landlord to recover other remedies. The failure of Landlord to declare a default and to exercise any remedy available herein upon a breach shall not be deemed a waiver of that right.

e. Attorneys' Fees. It is agreed that either party pay all reasonable attorneys' fees and expenses that the other party incurs (whether for negotiation, or litigation) in enforcing any of the obligations of the other party under this Lease.

9. Indemnification. Tenant shall indemnify Landlord against all expenses, liabilities and claims of every kind, including reasonable counsel fees, by or on behalf of any person or entity arising out of either (1) failure by Tenant to perform any of the terms or conditions of this Lease; (2) any injury or damage happening on or about the demised premises.

10. Eminent Domain. If the whole of the Demised Premises shall be taken or condemned by any competent authority for public or quasi public use or purpose, then and in that event, the term of this Lease shall cease and terminate when the possession of the Demised Premises so taken shall be required for such use or purpose and without apportionment of the award. If any part, less than the whole, of the Demised Premises shall be so taken or condemned, then either party shall have the option exercisable by notice in writing to the other party within sixty (60) days from the notice to Landlord of the taking or condemnation, to terminate this Lease; and in the event neither party exercises its option reserved herein to so terminate this Lease, the Lease shall continue with reference to the portion of the Demised Premises not taken or condemned unless the same is rendered untenantable by such taking and condemnation or cannot be made tenantable by repairs to be conducted by Landlord at its expense (which expense shall not exceed the amount awarded to the Landlord as the award for condemnation). In either event, the entire award for the taking and condemnation of the Demised Premises shall belong to the Landlord, and Tenant shall have no interest therein, but the Tenant shall have the right to prove its own loss and obtain its own award. In the event this Lease continues with reference to the portion of the Demised Premises not taken, the rental specified hereunder shall be prorated and adjusted on a square footage basis; provided, that there shall be no adjustment for a taking that only effects the parking areas. In the event that this Lease terminates by a taking or condemnation of the whole Demised Premises or by the election on the part of Landlord, as provided herein, the current rental shall, in either case, be

apportioned to the date of termination of the Lease.

11. Fire or Other Casualty. In case the Demised Premises shall be partially or totally destroyed by fire or other casualty as to become partially or totally untenantable, the same shall be repaired with reasonable dispatch by and at the expense of the Landlord and a proportionate part of the minimum rent shall be abated in proportion to the amount of the Demised Premises rendered untenantable, until so repaired. Upon such rebuilding or replacement the Lease shall continue in full force and effect, subject to abatement or partial abatement of rentals during the period the premises were unfit for occupancy. The obligation of the Landlord to repair hereunder will not exceed the insurance proceeds either received by the Landlord or payable for the benefit of the Landlord as a result of such fire or casualty. In no event shall the Landlord be required to repair or replace Tenant's merchandise, trade fixtures, furnishings, operating equipment or personal property. Tenant shall repair or replace Tenant's merchandise, trade fixtures, furnishings, operating equipment and personal property in a manner and to a condition at least equal to that prior to the fire or casualty.

12. Insurance.

    a. Landlord's Insurance. The Landlord shall, at its expense, cause to be placed and shall maintain in full force and effect during the term of this Lease standard fire insurance and extended coverage, or, at Landlord's option, all risk insurance, of such type as shall be appropriate within the Landlord's sole discretion, covering all building improvements and structures on the Demised Premises (excluding those items required to be insured by the Tenant). The Landlord shall continuously insure its ownership interest satisfactory to the Landlord against such risks and in such amounts as are customarily insured against by properties of like size and type. Additionally, Tenant shall, during the entire term hereof, procure and keep in full force and effect a policy or policies of public liability insurance covering the Demised Premises and the Tenant's use thereof, in companies and in a form satisfactory to the Landlord, with minimum limits of One Million ($1,000,000.00) Dollars for bodily injuries or death to any person as a result of any one occurrence and One Hundred Thousand ($100,000.00) Dollars coverage for property damage, plus such other insurance as shall be appropriate in light of Tenant's operations.

    b. Tenant's Provisions. Public liability insurance carried by Tenant shall name the Landlord and any other person or persons, entities, organizations, firms or corporations designated by the Landlord as insured, and shall contain a clause that the insurer will not cancel or materially alter such insurance without first giving the Landlord thirty (30) days prior written notice thereon. The insurance shall be evidenced to the Landlord by delivery of the policy or policies (or certificates thereof) to the Landlord prior to occupancy by the Tenant of the Demised Premises. In the event Tenant shall fail to procure such insurance, or shall fail to keep such insurance in force and effect during the entire term hereof, Landlord may, at its option and in addition to

any other remedies, procure same for the account of the Tenant, and the cost thereof shall be paid to the Landlord as Additional Rent upon demand by the Landlord.

c. Waiver of Subrogation. All insurance policies shall provide that any loss shall be payable to the Landlord or to the holder of any mortgage notwithstanding any act or negligence of the Tenant which might otherwise result in a forfeiture of such insurance. All policies of insurance shall further provide for a waiver of all rights of subrogation by the insurer, and Landlord and Tenant each hereby waive any and all rights of recovery, claim or action against the other for any loss or damage which could be insured against under any standard fire and extended coverage insurance policies or under "all risk" or other property/casualty insurance coverage.

13. Subordination. This Lease is subject and subordinate to all present mortgages affecting the Demised Premises, and to all renewals and extensions thereof, and to any additional or replacement mortgages which may hereafter be executed affecting the Demised Premises. At Landlord's request, Tenant will execute and deliver estoppel certificates in recordable form addressed to Landlord's mortgagees or purchasers certifying as to such matters as Landlord or its lender may reasonably require, including but not limited to the following:

    a. In the event of foreclosure of the existing or any future mortgage or in the event that the mortgagee or future mortgagee acquires title to or possession of the Project in any other manner, Tenant shall attorn to and accept the purchaser at the foreclosure sale or mortgagee, as the case may be, as Landlord for the balance then remaining of the term of this Lease, and any extension or renewals thereof, subject to all the terms and conditions of the Lease.

    b. This Lease is in full force and effect and there are no defenses or offsets thereto.

14. Options To Renew. Tenant shall have the option to renew this lease for an additional **one** year term, under the same terms and conditions EXCEPT the lease renewal shall be determined by Consumers Price Index (CPI) for the term. The Tenants option must be exercised ninety (90) days before the end of the lease term. Failure by tenant to exercise the option will terminate the tenant's right to the option term.

    If tenant remains in possession of the premises after the expiration or termination of the lease without exercising the option and signing a new lease or amendment to this existing lease, then the Tenant shall be deemed to be occupying the premises as a tenant from month to month at the same rent (as adjusted in this lease), subject to all the conditions, provisions, and obligations of this lease insofar as it can be applicable to a month-to-month tenancy, cancelable by either party upon thirty days written

15. Option to Purchase. Tenant shall have the option to purchase the Demised Premises via a warranty deed. Landlord and Tenant shall split the closing costs and the final purchase price will be set by the City of Swartz Creek City Council. The city reserves the right to conduct an appraisal from a licensed Michigan Appraiser chosen by the Swartz Creek City Council.

16. Miscellaneous.

    a. Care of Premises. The Tenant shall not perform any acts or carry on any practices which may injure the building or be a nuisance or menace to neighbors located near the building. The Tenant shall, at his own expense, under penalty of forfeiture and damages, promptly comply with all lawful laws, orders, regulations, or ordinances of all municipal, County and State authorities affecting the premises hereby leased and the cleanliness, safety, occupation and use of same.

    b. Binding Effect. The covenants, conditions and agreements made and entered into by the parties hereto are declared binding on their respective heirs, successors, representatives and assigns.

    c. Quiet Enjoyment. The Landlord covenants that the said Tenant, on payment of all the aforesaid installments and performing all the covenants aforesaid, shall and may peacefully and quietly have, hold and enjoy the said Demised Premises for the term aforesaid.

    d. Easements, Agreements and Encumbrances. The parties shall be bound by all existing easements, agreements, and encumbrances of record relating to the demised premises and Landlord shall not be liable to Tenant for any damages resulting from any action taken by a holder of an interest pursuant to the rights of that holder thereunder.

    e. Access to Premises. Tenant shall permit Landlord or its agents to enter the demised premises at all reasonable hours to inspect the premises or make repairs that Tenant may neglect or refuse to make in accordance with the provisions of this Lease, and also to show the premises to prospective buyers.

    f. Entire Agreement. This Lease constitutes the entire agreement between the parties with respect to its subject matter. This Lease incorporates all prior written and all oral understanding with respect to its subject matter. This Lease may not be terminated, extended, amended, or otherwise modified without the prior written agreement of the Landlord and the Tenant.

    g. Governing Law. This Commercial Lease Agreement shall be governed by and interpreted in accordance with the provisions of the laws of the State of Michigan.

h. Liens. Tenant shall not suffer or give cause for the filing of any lien against the Demised Premises or the Project. In the event a construction lien shall be filed against the Demised Premises or Tenant's interest therein as the result of the work undertaken by Tenant to ready the Demised Premises for the opening of Tenant's business or as a result of any repairs of alterations made by Tenant, Tenant shall, within ten (10) days after receiving notice of that lien, discharge that lien either by payment of the indebtedness due the construction lien claimant or by filing a bond (as provided by statute) as security. In the event Tenant shall fail to discharge that lien, Landlord shall have the right to procure a discharge by filing a bond, and Tenant shall pay the cost of the bond to Landlord as additional rent upon the first day that the next rent payment shall be due.

i. Signs. Tenant accepts signs in as-is condition and shall have use of the changeable message board. Landlord reserves the right to use this sign for up to seven consecutive days of each calendar month for speech related to the status of the property. Five business days' notice shall be delivered to the Tenant for such use. No sign or other advertising or lettering shall be placed on the exterior walls of the building or on any windows or outside doors of the building without the express written consent of the Landlord.

(Signatures on following page)

IN WITNESS WHEREOF, the parties have executed this Lease to be effective as of the date listed above.

WITNESS:

LANDLORD:

City of Swartz Creek

_____

By: David Krueger
Its: Mayor

_____

TENANT:

_____, L.L.C., a Michigan limited liability Company

_____

By: Lisa Moore
Its: Manager

Lisa Moore

_____

Resident of Residential Space

Prepared by:

SIMEN, FIGURA & PARKER, P.L.C.

by: Chris A. Stritmatter, Esq.
Gateway Financial Centre, Suite 200
5206 Gateway Centre
Flint, Michigan 48507
(810) 235-9000; (810) 235-9010 (fax)
e-mail: cstritmatter@sfplaw.com

RESOLUTION

To be used by Governmental Units in Connection with Applications to Construct, Operate, Use and/or Maintain Within the Right-of-way; or to Close a County Road.

(Note: It is not necessary to use this form when submitting a Resolution. It may be used as a sample of adequate wording and content for Permit Resolutions)

RESOLVED, that the Bikes on the Bricks, Inc. (title) is hereby authorized to make Application to the Genesee County Road Commission on behalf of the City (City, Twp.) of Swartz Creek (name) in the county of Genesee Michigan for the necessary permit(s) to Allow a police escorted ride (description of what is desired) Court St to S/B Elms Rd to E/B Reid Rd Reid Rd to S/B Jennings Rd. (Temporary blocking of intersections) On September 7, 2019 at approximately 10 to 1 pm. within the right-of-way of County Roads _____, and that the City (City, Twp.) of Swartz Creek (name) in the County of Genesee Michigan will faithfully fulfill al permit requirements, and will indemnify and save harmless all persons from claims of every kind arising out of operations authorized by such permit(s) as is (are) issued. I HEREBY CERTIFY that the foregoing is a true copy of a resolution adopted by the _____ (name of governing body) at a _____ (regular, special) meeting held on the _____ day of _____ A.D. 20____.

Signed _____

Title _____

Flint Police Bikes on the bricks committee

When the resolution has been signed and ready for pick up

Please contact:

Officer Steven Wheeler @ 810 237-6892

Or

Sgt. Nicole Reid @ 810 237 – 6891.

You can also email the forms to Swheeler@cityofflint.com or Nreid@cityofflint.com

Thank You!

PERMIT NO._____
DATE_____
FEE_____REC._____

THE BOARD OF COUNTY ROAD COMMISSIONERS of the COUNTY OF GENESEE, MICHIGAN
Phone: 767-4920 Ext. 246 211 West Oakley Street – Flint, MI 48503-3995
www.gcrc.org

APPLICATION AND PERMIT TO CONSTRUCT, OPERATE, USE AND/OR MAINTAIN WITHIN THE RIGHT-OF-WAY; OR TO CLOSE A COUNTY ROAD

If a contractor is to perform the construction entailed in this application and permit and is supplying the deposit, he will fill out the information block provided and thereby assume responsibility, along with the applicant, for any provisions of this application and permit which apply to him.

Swartz Creek
Applicant's name (Property Owner, Corp., City, Twp., Etc.) (Date)

8083 Civic Drive
Applicant's Mailing Address

Swartz Creek, MI. 48473
Applicant's Phone Number

Applicant's Signature (If other than Property Owner, give Title)

Bikes on the bricks
Contractor's name (Individual, Company, Etc.) (Date)

G33160 S. Dort Hwy
Contractor's Mailing Address

Burton, MI 48529
Contractor's Phone Number

Contractor's Signature (If signing for Contractor, give title)

The above named applicant hereby makes application for a permit to Construct, Operate, Use and/or Maintain within the right-of-way; or close a County Road.

House No. Road Township

the exact location is as follows:

(In rural areas give distance and direction from nearest main intersection)

The above stated intentions will be carried out in the manner applied for and in accordance with plans, specifications, amp and statements filed with the Genesee County Road Commission as part of this application and if said permit is granted, the above named applicant agrees to do the following:

Reviewed by	Appr	Dis-Appr
Constr.		
Design		
Maint		
P & SS		

1. To operate and maintain the structure covered by this permit at no expense to the Genesee County Road Commission.
2. Give written notice to the Permit Department of the Genesee County Road Commission at least five (5) days prior to commencement of operations covered by this permit.
3. In any and all operations under this permit, meet all requirements of the Genesee County Road Commission Specifications and Supplemental Specifications set forth on the reverse side of this application and permit
4. Take, provide and maintain all necessary precautions to prevent injury or damage to person s and property from operations covered by this permit and use safety devices which are approved by the Genesee County Road Commission.
5. Save harmless the Genesee County Road Commission against any and all claims for damages arising from operations covered by this permit and upon request, furnish proof of insurance coverage or a protective liability policy naming the Genesee County Road Commission as insured for the term of this permit for _____ personal injury and _____ property damage for operations covered by the permit.
6. Surrender the permit herein applied for, cease operations, and surrender all rights thereunder whenever notified to do so by the Genesee County Road Commission because of their need for the area covered by the permit or because of a default in any of the conditions or the permit.
7. Immediately remove, alter, and relocate at applicant's own expense the facility for which this permit is granted, if requested by the Genesee County Road Commission to do so. Upon failure to remove, alter, relocate or surrender the facility pursuant to the request of the Genesee County Road Commission, reimburse the Genesee County Road Commission for it's cost in doing same.
8. Upon request, file a certified check in the sum of _____, acceptable to the Genesee County Road Commission and conditioned upon performance of the conditions of the permit and compliance with all requirements of law. (Rec. No. _____)
9. Give notice to public utilities in accordance with Act 53, PA 1974 and comply with each of the requirements of that act.
10. The period applied for and granted in this application and permit covers activity within the right-of-way. The obligation to operate, use and/or maintain the facility to the satisfaction of the Genesee County Road Commission remains in force as long as the facility exists and is within an area under the jurisdiction of said Commission.

RECOMMENDED FOR ISSUANCE:

(Investigator) (Date)

GENESEE COUNTY ROAD COMMISSION

By _____
MANAGER-DIRECTOR

NOTE: This Permit does not relieve applicant from meeting any applicable requirements of law or of other public bodies or agencies.

2019 BIKES ON THE BRICKS MOTORCYCLE RIDE ROUTE

AUSTIN PARKWAY N/B TO HOGARTH AVE

HOGARTH AVE W/B TO AUGUSTA/ARLENE

AUGUSTA/ARLENE W/B TO GRAHAM

GRAHAM N/B TO COURT ST

COURT ST W/B TO ELMS RD

ELMS RD S/B TO REID RD

REID RD E/B TO JENNINGS RD

JENNINGS RD S/B TO GRAND BLANC RD

GRAND BLANC RD E/B TO TORREY RD

TORREY RD S/B TO BALDWIN RD

BALDWIN RD E/B TURNS INTO GALE RD (HEAD NORTH)

GALE RD TO HEGEL RD TURN LEFT (HEAD NORTH) TURNS BACK INTO GALE RD

GALE RD N/B TURNS INTO PERRY RD (HEAD WEST)

PERRY RD W/B TO IRISH RD

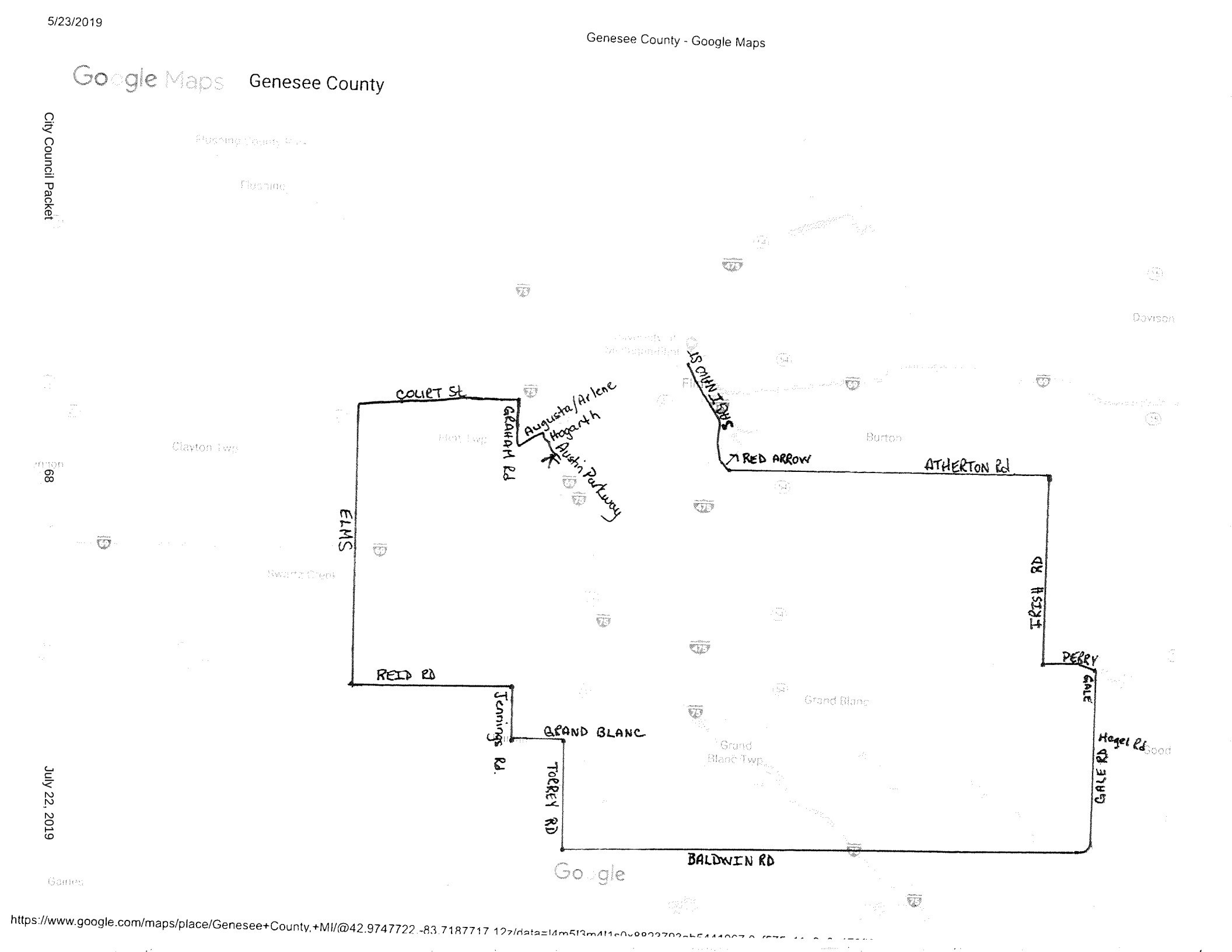
IRISH RD N/B TO ATHERTON RD

ATHERTON RD W/B TO RED ARROW

RED ARROW N/W TO SAGINAW ST

SAGINAW ST N/B TO DOWNTOWN FLINT

Google Maps Genesee County



ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/20/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Tanya Howell	
Al Bourdeau Insurance Agency - Flint 3635 Davison Road Flint MI 48506	PHONE (A/C, No, Ext): (810) 742-3411	FAX (A/C, No): (810) 742-0105
	E-MAIL ADDRESS: tanyah@albourdeau.com	

INSURED	INSURER(S) AFFORDING COVERAGE	NAIC #
Bikes On The Bricks G3360 S Dort Hwy Burton MI 48529-1416	INSURER A : West Bend Mutual Ins Co	15350
	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** CL1962057897 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC OTHER:			1937570	07/16/2019	07/16/2020	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ $ 1,000,000 $ 2,000,000 $ 2,000,000
	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

Sgt. Reed

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

ACORD 25 (2016/03)

PURCHASE AND DEVELOPMENT AGREEMENT

THIS PURCHASE AND DEVELOPMENT AGREEMENT (hereinafter referred to as "Agreement") is made and executed as of _____, 2019, by and between The City of Swartz Creek, a Michigan municipality, of 8083 Civic Dr., Swartz Creek, MI 48473 (hereinafter referred to as the "Seller") and RBF Holding, LLC, a Michigan limited liability company, located at 4140 Morrish Road, Swartz Creek, MI 48473 (hereinafter referred to as the "Purchaser").

The following is a recital of certain facts that underlie this Agreement:

A. The Seller is the owner in fee of certain real property located in the City of Swartz Creek, Genesee County, Michigan, being parcels 58-35-576-001 (“Lot 2”) and 58-35-576-002 (“Lot 3”) depicted on Exhibit A attached hereto, the legal description for which will be attached as Exhibit B (the "Property”).

B. The Purchaser desires to purchase the Property, subject to the terms and conditions hereunder, for the express purpose of developing condominiums and multi-unit housing on the Property (the “Intended Use”).

C. The Seller desires for the land to be used for the Intended Use and that the Intended use run with the land and that only the Seller can extinguish the Intended Use for the Property. Further, that the Purchaser will execute the Intended Use under the approved Master Deed that is attached as Exhibit C and must be recorded within 30 days of the execution of this Agreement.

D. The Seller intends to convey the Property to the Purchaser subject to a possibility of reverter if the Intended Use is not diligently pursued by the Purchaser and the Purchaser does not meet the deadlines stated in Exhibit D. An executed deed

conveying the Property back to the Seller in fee simple will be held in escrow and delivered and recorded if the Purchaser fails to meet the requirements of the Intended Use, a copy is attached as Exhibit E.

E. Both parties recognize that in order for the intent of this Agreement to be accomplished it will be necessary to arrange for various governmental and private approvals.

NOW THEREFORE, in consideration of the earnest money described herein, the mutual covenants contained herein, and the purchase price described below, it is agreed as follows:

1. Purchase and Sale. The Seller will sell to the Purchaser upon the terms and conditions contained herein the Property as described in paragraph 2 below.

2. The Property. The Property to be purchased and sold hereunder is land currently owned by the Seller and identified in Exhibit A.

3. Purchase Price. The purchase price for the Property will be Ten Thousand Dollars and No Cents ($10,000.00).

4. Terms of Payment. The Purchaser will tender to a title insurance company chosen by the Seller (the "Title Company") as escrow agent upon full execution of this Agreement the sum of Ten Thousand Dollars and No Cents ($10,000.00). A copy of this Agreement will serve as escrow instructions to that title company.

5. Execution Date. _____

6. Representations, Warranties and Covenants of the Seller. The Seller hereby represents, warrants and covenants as follows, each of which I) is true on the date of this Agreement and will be true at closing, ii) is material and is being

relied upon by Purchaser, iii) will survive the closing:

a. The Seller is the bona fide owner of and has good and marketable title to the Property, subject only to the Permitted Encumbrances.

b. The person signing this Agreement on behalf of the Seller has the authority to bind the Seller.

c. The performance of this Agreement will not constitute a breach or a default under any indenture, mortgage, deed of trust, credit agreement, corporate charter, corporate bylaw, or miscellaneous contract, to which the Seller is a party, and will not result in a creation of any lien, charge, or penalty upon any asset or property which is transferred under this Agreement.

7. Representations, Warranties, and Covenants of Purchaser. The Purchaser hereby represents, warrants and covenants as follows, each of which I) is true on the date of this Agreement and will be true at closing, ii) is material and is being relied upon by Seller, iii) shall survive the closing:

a. Purchaser shall proceed diligently and in good faith in order to satisfy the conditions precedent contained above.

b. Purchaser shall execute a deed conveying the Property back to the Seller if the Purchaser fails to meet conditions outlined in this Agreement and incorporated exhibits.

8. Closing Costs and Proration. The Purchaser shall be responsible for and pay the cost of transfer taxes that are required to be paid upon the conveyance of the

Property.

9. Closing. Closing of this transaction shall take place at a mutually agreed-upon location. Unless waived or extended by the Purchaser, closing shall occur within 30 days after the satisfaction or waiver of all of the Conditions. At closing the following shall occur:

   a. Each party shall execute and deliver where appropriate the following closing documents:

      i. A Deed Subject to a Possibility of Reverter from Seller to Purchaser;

      ii. A Deed transferring the Property back to the Seller in the event of a default;

      iii. A Closing Statement; and

      iv. Escrow Agreement for the Deed in ii) above.

   b. The parties shall where appropriate tender or execute any and all other documents necessary to effectuate the closing pursuant to this Agreement.

10. Access to Property. Pending closing, Purchaser may have access to the Property for all reasonable purposes and at all reasonable times, including the right to conduct all necessary tests on the Property.

11. Condition of Property and Environmental Matters. If the Purchaser satisfies or waives the Conditions and closes on the purchase of the Property, the Purchaser hereby irrevocably purchases the Property in its present "AS IS" condition without any representations from the Seller, consistent with the following

conditions:

a. It is expressly agreed that Seller makes no warranties that the Property complies with federal, state or local governmental laws or regulations applicable to the Property or its use. Purchaser has fully inspected the Property to the Purchaser's satisfaction. Purchaser also acknowledges that Purchaser has investigated any other matters of interest pertinent to it and that it would be Purchaser's obligation to improve the Property to meet the requirements of all applicable laws, ordinances and regulations, if any. Purchaser takes the Property in its existing condition with no warranties of any kind concerning the condition of the Property or its use.

b. Purchaser acknowledges that Seller has not made and makes no warranties or representations as to the condition of the Property or anything pertaining to it, including, but not limited to, soil conditions, zoning, building line, building construction, use and occupancy restrictions and the availability of utilities. Purchaser has negotiated the Purchase price for the Property to reflect the Property's present condition, as inspected, and Purchaser agrees to accept the Property in its present "AS IS" conditions, with all defects, latent and patent, and to make no claims against Seller concerning the condition of the Property or any matter pertaining to the Property. Purchaser assumes all responsibility for any damages caused by the conditions on the Property upon the date of closing.

c. Without limiting the generality of the foregoing, the Purchaser has been given the opportunity to inspect the Property to his satisfaction and agrees to accept it in its present condition with regard to its environmental condition (subject to the procedure contained in paragraph 6. e. above). Specifically, Purchaser represents and warrants to Seller that it has been given adequate opportunity to inspect the Property (or cause it to be inspected, subject to the procedure contained in paragraph 6. e. above) and evaluate its environmental condition. Purchaser hereby agrees to assume, and does assume, all responsibility and liability that is or may be asserted, claimed or determined in respect of the Property from any cause whatsoever on or after the date of this Agreement, regardless of whether such responsibility and liability arose or might have arisen, or was or might have been caused by acts or omissions occurring, prior to its acquiring an interest in the Property. Purchaser likewise recognizes and assumes full responsibility for compliance with all environmental and other requirements of federal, state and local laws and regulations pertaining to the Property, regardless of whether responsibility therefor arose or might have arisen, or was or might have been caused by acts or omissions occurring, prior to its acquiring an interest in the Property.

12. Possession. Possession of the Property shall transfer to the Purchaser from the Seller at closing, free and clear of all rights and claims of the Seller or any third parties.

13. Miscellaneous.

a. Absence of Broker. The Seller and the Purchaser have not incurred any broker's or real estate or other commissions, finder's fees or other fees payable in connection with this transaction.

b. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to its subject matter. This Agreement incorporates all prior written and oral understandings with respect to its subject matter, and may not be terminated, extended, amended or otherwise modified without the prior written agreement of both parties hereto.

c. Successors. This Agreement shall be binding upon and the benefits hereof shall inure to the parties hereto and their respective successors and assigns. This paragraph shall not be interpreted to allow the assignment of this Agreement by either party without the express permission of the other.

d. Notices. All notices required under or pursuant to this Agreement shall be deemed sufficient and served only if written and delivered by one of the following methods:

i. personally delivered; or

ii. sent by Federal Express or other similar delivery service keeping records of deliveries and attempted deliveries; or

iii. sent by facsimile transfer ("Fax") to the Fax numbers below (service by Fax shall be deemed made upon confirmed transmission if

confirmed during the business hours of 9:00 am until 5:00 pm in the time zone of the county where the Property is located, and otherwise on the next business day.

iv. The addresses and Fax numbers are:

If to Purchaser: _____
_____
Flint, Michigan

with a copy to: Chris A. Stritmatter, Esq.
5206 Gateway Centre
Flint, Michigan 48507
(810) 235-9010 (fax)

If to Seller: Adam Zettel
8083 Civic Drive
Swartz Creek, Michigan

with a copy to:

Any party to this Agreement may change the address to which notices are to be sent by giving notice to the other party in conformance with the foregoing provisions for the giving of notice.

e. Separability. If any of the terms, provisions, or covenants of this Agreement or any documents executed pursuant to the terms of this Agreement are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify, or impair in any manner whatsoever any of the other terms, provisions or covenants of such documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

f. Governing Law. This Agreement shall be governed by and interpreted in accordance with the provisions of the laws of the State of Michigan.

g. Captions. Captions to the paragraphs and subparagraphs of this Agreement have been inserted solely for the sake of convenient reference and are entirely without substantive effect.

h. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, and which shall constitute one and the same instrument.

i. Survival. The covenants, warranties, representations, and all additional terms of this agreement shall survive the closing and be binding upon and inure to the benefit of the heirs, successors, and assigns to the parties hereto.

j. Assignability. Notwithstanding subparagraph c. above, the parties acknowledge and understand that the Purchaser may assign the benefits and burdens of this Agreement to a Michigan partnership, limited liability company or corporation to be formed, and upon such assignment, Purchaser shall be relieved of all liability hereunder.

k. Execution by Facsimile or Email. This document may be validly executed and delivered by facsimile transfer ("Fax") or by electronic mail ("Email"). Any signer who executes this document and transmits this document by Fax or Email intends that the Fax or Email of their signature is to be deemed an original signature for all purposes. Any such Fax or Email printout and any complete photocopy of such Fax or Email printout is hereby deemed to be an original counterpart of this document.

(the remainder of this page is intentionally blank)

IN WITNESS WHEREOF, the parties have executed this Purchase and Sale Agreement as of the date indicated next to their signatures. The effective date shall be considered the date of latest signature.

WITNESSETH:

PURCHASER:

_____ _____

By:
Its: Manager

_____

SELLER:

_____ _____

By:
Its:

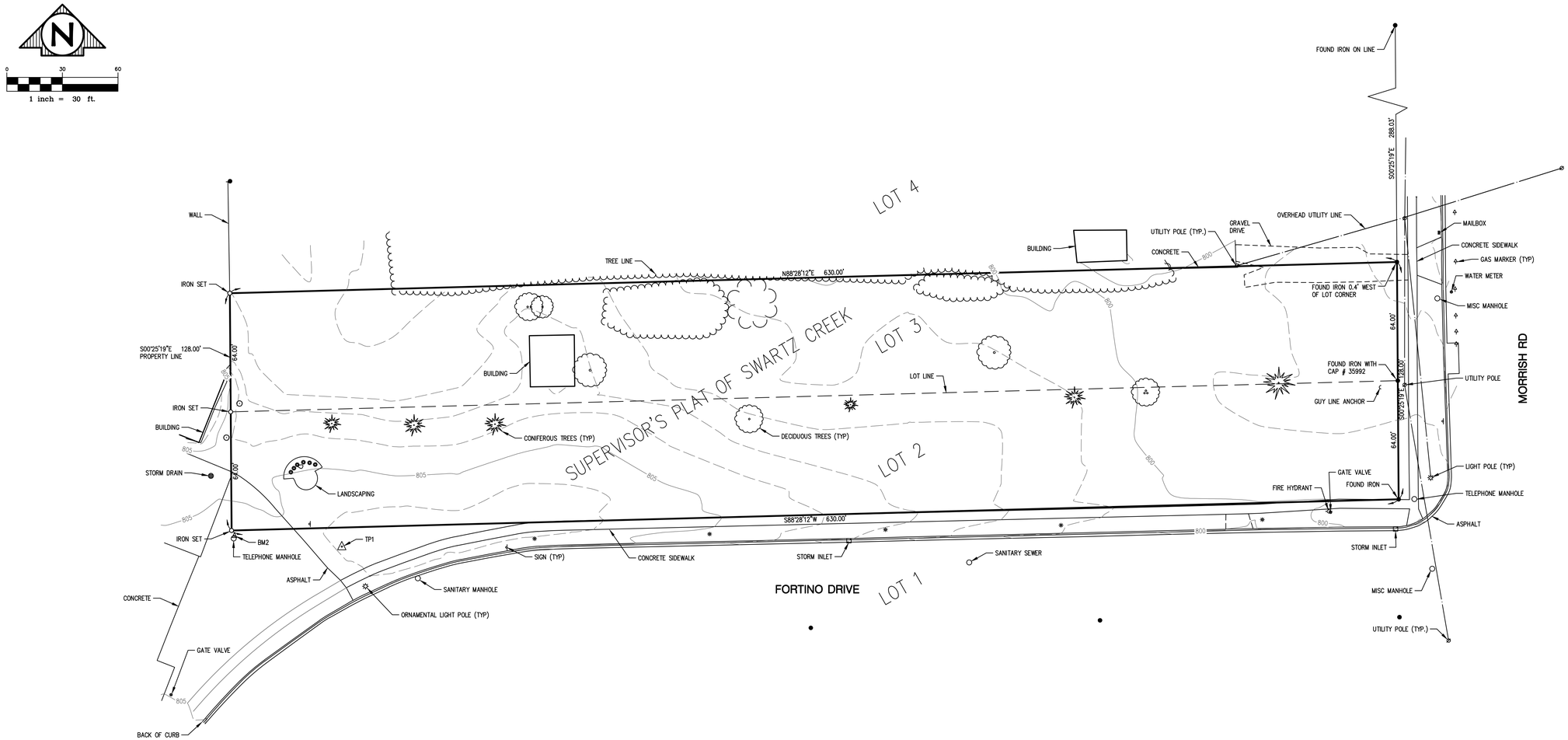
_____

Prepared by:

SIMEN, FIGURA & PARKER, P.L.C.

by: Chris A. Stritmatter, Esq.
Suite 200, Gateway Financial Centre
5206 Gateway Centre Blvd
Flint, Michigan 48507
(810) 235-9000; (810)235-9010 (fax)

e-mail: cstritmatter@sfplaw.com



LEGAL DESCRIPTION

LOT 2 AND 3, SUPERVISORS PLAT OF SWARTZ CREEK, GENESEE COUNTY, MICHIGAN.

NOTES

VERTICAL DATUM IS NAVD88
HORIZONTAL DATUM IS MICHIGAN STATE PLANE COORDINATE SYSTEM, SOUTH ZONE NAD83 (2011)
UNITS ARE INTERNATIONAL FEET.

BENCHMARK DATA TABLE

NUMBER	NORTHING	EASTING	ELEVATION	DESCRIPTION
BM 2	532280	13266133	805.16	SET CHISELED X IN THE NORTHEAST RIM OF TELEPHONE MANHOLE IN ASPHALT PARKING LOT ON EAST SIDE OF FIRE STATION

TRAVERSE POINT DATA TABLE

NUMBER	NORTHING	EASTING	DESCRIPTION
TP 1	532273.8060	13266191.3980	SET ROD WITH ROWE TRAVSERSE CAP 15'± NORTH OF CENTERLINE OF SIDEWALK ON NORTH SIDE OF FORTINO STREET AND 13'± EAST OF CENTERLINE OF ASPHALT PARKING LOT AT FIRE STATION

BASIS OF BEARING

BEARINGS ARE REFERENCED TO MICHIGAN STATE PLANE COORDINATE SYSTEM SOUTH ZONE (2011)

STATE OF MICHIGAN
KENNETH PERRY
PROFESSIONAL SURVEYOR
No. 63135
LICENSED PROFESSIONAL SURVEYOR

PLAN DATE: NOVEMBER 1, 2018
PROJECT MGR: KAP
REVIEWER: KAP
SCALE: 1" = 30'

ROWE PROFESSIONAL SERVICES COMPANY
The Rowe Building
540 S. Saginaw St., Suite 200
Flint, MI 48502
O: (810) 341-7500
F: (810) 341-7573
www.rowepsc.com

PREPARED FOR
THE CITY OF SWARTZ CREEK
TOPO AND BOUNDARY SURVEY
PART OF SECTION 35, T7N-R5E

REV:

SHT# 1 OF 1
JOB No: 18C0227

PLOTTED: 11/1/2018 4:46 PM
R:\Projects\18C0227\Dwg\Survey\SW-18C0227-MASTER.dwg

Exhibit B

Lot 2 Property Information:

Described premises situated in the City of Swartz Creek, County of Genesee, and State of Michigan, and particularly described as follows:

Lot 2, Supervisor's Plat of Swartz Creek, according to the recorded plat thereof, as recorded in Liber 17 of Plats, Page 42.

Tax Parcel No. 58-35-576-001

Commonly known as: V/L Morrish Road, Swartz Creek, Ml 48473

Lot 3 Property Information:

Described premises situated in the City of Swartz Creek, County of Genesee, and State of Michigan, and particularly described as follows:

Lot(s) 3, Supervisor's Plat of Swartz Creek, according to the recorded plat thereof, as recorded in

Liber 17 of Plats, Page 42.

Tax Parcel No. 58-35-576-002

Commonly known as: 4438 South Morrish Road, Swartz Creek, MI 48473

MASTER DEED

BREWER TOWN HOMES

This Master Deed is made and executed on this ___ day of _____, 2019, by RBF Holding, LLC, a Michigan limited liability company, hereinafter referred to as the "Developer," the post office address of which is 4140 Morrish Road, Swartz Creek, MI 48473, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended).

WHEREAS, the Developer desires by recording this Master Deed, together with the Bylaws attached hereto as Exhibit A and the Condominium Subdivision Plan attached hereto as Exhibit B (both of which are hereby incorporated herein by reference and made a part hereof), to establish the real property described in Article II below, together with the improvements located and to be located thereon, and the appurtenances thereto, as a residential Condominium Project under the provisions of the Act.

NOW, THEREFORE, the Developer does, upon the recording hereof, establish Brewer Town Homes Condominium as a Condominium Project under the Act and does declare that Brewer Town Homes Condominium shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Master Deed, the Bylaws and the Condominium Subdivision Plan, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer and any persons acquiring or owning an interest in the Condominium Premises and their respective successors and assigns. In furtherance of the establishment of the Condominium Project, it is provided as follows:

ARTICLE I

TITLE AND NATURE

The Condominium Project shall be known as Brewer Town Homes Condominium, Genesee County Condominium Subdivision Plan. No. ___. The condominium Project is established in accordance with the Act. The buildings contained in the Condominium, including the number, boundaries, dimensions and area of each Unit therein, are set forth completely in the Condominium Subdivision Plan. Each building contains individual Units for residential purposes and each Unit is capable of individual utilization on account of having its own entrance from and exit to a Common Element of the Condominium Project. Each Co-Owner in the Condominium Project shall have an exclusive right to his or her Unit and shall have undivided and inseparable rights to share with other Co-Owners the Common Elements of the Condominium Project.

ARTICLE II

LEGAL DESCRIPTION

The land which is submitted to the Condominium Project established by this Master Deed is described as follows:

Land in the City of Swartz Creek, Genesee County, Michigan.

Lot 2 and 3 of supervisor's plat of Swartz Creek, Genesee County, Michigan.

Together with and subject to all easements and restrictions of record and all governmental limitations.

ARTICLE III DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits A and B hereto, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation of Brewer Town Homes Condominium Association, a Michigan nonprofit corporation, and deeds, mortgages, liens, land contracts, easements or other instruments affecting the establishment of, or transfer of interests in Brewer Town Homes as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

Section 3.1. Act. "Act" or "Condominium Act" means Act 59 of the Public Acts of Michigan of 1978, as amended, including without limitation, the amendments of Act 538 of the Public Acts of 1982 and Act 113 of 1983. If any provision of this Master Deed or its exhibits is found to conflict with any provision of the Act, or if any provision required by the Act is omitted herefrom, then the provisions of the Act are incorporated herein by reference and shall supersede and cancel any conflicting provision hereof.

Section 3.2. Association. "Association" or "Association of Co-Owners" shall mean the Michigan nonprofit corporation, Brewer Town Homes Condominium Association, of which all Co-Owners shall be members, which corporation shall administer, operate, manage and maintain the Condominium.

Section 3.3. Bylaws. "Bylaws" means Exhibit A hereto, being the Bylaws setting forth the substantive rights or obligations of the Co-Owners and required by Section 3 (8) of the Act to be recorded as part of the Master Deed. The bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act.

Section 3.4. Common Elements. "Common Elements," where used without modification, means both the General and Limited Common Elements described in Article IV hereof.

Section 3.5. Condominium, Condominium Project or Project. "Condominium," "Condominium Project" or "Project" each mean Brewer Town Homes Condominium as a Condominium Project established in conformity with the Act.

Section 3.6. Condominium Documents. "Condominium Documents" means and Includes this Master Deed and Exhibit A and B hereto, and the Articles of Incorporation and rules and regulations, if any, of the Association, as all of the same may be amended from time to time.

Section 3.7. Condominium Premises. “Condominium Premises” means and includes the land described in Article II above, all improvements and structures thereon, and all easements, rights and appurtenances belonging to Brewer Town Homes Condominium as described above.

Section 3.8. Condominium Subdivision Plan. “Condominium Subdivision Plan” means Exhibit B hereto.

Section 3.9. Consolidating Master Deed. “Consolidating Master Deed” means the final amended Master Deed which shall describe Brewer Town Homes as a completed Condominium Project and shall reflect the entire land area added to the Condominium from time to time under Article III hereof, and all Units and Common Elements therein, and which shall express percentages of value pertinent to each Unit as finally readjusted. Such Consolidating Master Deed, if and when recorded in the office of the Genesee County Register of Deeds, shall supersede the previously recorded Master Deed for the Condominium and all amendments thereto.

Section 3.10. Co-Owner or Owner. “Co-Owner” means a person, firm, corporation, limited liability company, partnership, association, trust or other legal entity or any combination thereof capable of owning real property who or which owns one or more Units in the Condominium Project, and shall include land contract vendors and land contract vendees, who shall be jointly and severally liable except as the Condominium Documents provide otherwise. The term “Owner,” wherever used, shall be synonymous with the term “Co-Owner.”

Section 3.11. Developer. “Developer” shall mean RBF Holdings LLC, a Michigan Limited Liability company, which has made and executed this Master Deed, and its successors and assigns.

Section 3.12 Development and Sales Period. “Development and Sales Period,” for the purposes of the Condominium Documents and the rights reserved to the Developer thereunder, shall be deemed to continue for so long as the Developer continues to own any Unit in the project, has a right to expand the Project as set forth in Article VII below, whichever is longer.

Section 3.13. First Annual Meeting. “First Annual Meeting” means the initial meeting at which non-developer Co-Owners are permitted to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting is to be held (a) in the Developer’s sold discretion after fifty percent (50%) of the Units which may be created are conveyed, or (b) mandatorily within (i) fifty-four(54) months after the date of the first Unit conveyance, or (ii) one hundred twenty (120) days after seventy-five percent (75%) of all Units which may be created are conveyed, whichever first occurs.

Section 3.14. Transitional Control Date. “Transitional Control Date” means the date on which a Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible Co-Owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

Section 3.15 Unit or Condominium Unit. “Unit” or “Condominium Unit” each mean the enclosed space constituting a single complete residential Unit in Brewer Town Homes Condominium, as such space may be described in Article VI, Section 6.1 hereof and Exhibit B hereto, and shall have the same meaning as the term “Condominium Unit” as defined in the Act.

Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference to the plural shall also be included where the same would be appropriate and vise versa.

ARTICLE IV

COMMON ELEMENTS

The Common Elements of the Project and the respective responsibilities or maintenance, decoration, repair, or replacement thereof, are as follows:

Section 4.1. General Common Elements, The General Common Elements are:

(a) Land. The land described in Article II hereof, as may be hereafter amended, including all landscaping, walls, fences, entrance signs, gazebos and other features, roads, sidewalks and common parking spaces thereon, not identified as limited common elements on Exhibit "B."
(b) Electrical. The electrical transmission system throughout the Project, up to the point of connection with, but not including, the electric meter serving each Unit.
(c) Telephone. The telephone system throughout the Project up to the point of connection with each Unit.
(d) Gas. The gas distribution system throughout the Project, up to the point of connection with, but not including, the gas meter serving each Unit.
(e) Sprinkler System. The sprinkler system throughout the Project, and the well and related equipment that service it, if and when installed.
(f) Sanitary Sewer. The sanitary sewer system throughout the Project, up to the point of entry into each Unit.
(g) Storm Drainage. The storm drainage system throughout the Project including, without limitation, all pump stations for storm water detention facilities, detention ponds and related equipment, if any.
(h) Telecommunications. The telecommunication system throughout the Project, up to, but not including, connections to provide service to individual Units.
(i) Site Lighting. Any lights designed to provide illumination for the Condominium Premises as a whole.
(j) Construction. Foundations, supporting columns, Unit perimeter walls (excluding windows and doors therein), walls between garages and living areas of each Unit, roofs and roof joists, upper level ceilings, basement floors, floor construction between Unit levels and chimneys.
(k) Other. Such other elements of the Project not herein designated as General or Limited Common Elements which are not enclosed within the boundaries of a Unit, and which are intended for common use or are necessary to the existence, upkeep and safety of the Project.

Some or all of the utility lines, systems (including mains and service leads), equipment and telecommunications system described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems, equipment and the telecommunications system shall be General Common Elements only to the extent of

the Co-Owners' interest therein, if any, and the Developer makes no warranty whatever with respect to the nature or extent of such interest, if any.

Section 4.2. Limited Common Elements. Limited Common Elements shall be subject to the exclusive use and enjoyment of the Owner or Owners of the Unit to which the Limited Common Elements are appurtenant. The Limited Common Elements Are:

(a) Patios and Porches. Each Individual patio and porch, if any, in the Project shall be a Limited Common Element appurtenant to the Unit that opens onto such porch or patio.
(b) Balconies, Decks. Each individual balcony and desk, if any, in the Project shall be a Limited Common Element appurtenant to the Unit which opens onto such deck.
(c) Air Conditioning Compressors. Each air conditioning compressor and its related pad, located outside a Unit shall be a Limited Common Element appurtenant to the Unit served by it.
(d) Driveways, Sidewalks. The driveways and sidewalks, if any, serving each Unit shall be Limited Common Elements appurtenant to the Unit so served.
(e) Windows and Doors. The windows and doors, including storm doors and garage doors, serving each Unit and all knobs, latches, locks and other related hardware, shall be Limited Common Elements appurtenant to the Unit so served.
(f) Wells. The individual wells and related water lines, pumps and equipment serving each Unit shall be Limited Common Elements Appurtenant to the Unit so served.

Section 4.3. Responsibilities. The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements are as follows:

(a) Patios, Porches, Balconies and Decks. The cost of maintenance, repair and replacement of each patio, porch, balcony and deck described in Section 4.2(a) and (b) above shall be borne by the Co-Owner of the Unit to which such Limited Common Elements are appurtenant. Provided, however, that any proposed repair (other than routine maintenance and repair), alteration or modification of any patio or deck shall be reviewed and, if aesthetically and structurally appropriate be approved by the Association and, during the Development and Sales Period, by the Developer, prior to its being undertaken by the responsible Co-Owner.
(b) Air Conditioning Compressors. The cost of maintenance, repair, and replacement of each individual air conditioning compressor described in Section 4.2(c) above shall be borne by the Co-Owner of the Unit to which such Limited Common Elements are appurtenant.
(c) Wells. The cost of maintenance, repair and replacement of each individual well and related water lines, pumps and equipment described in Section 4.2(f) above, shall be borne by the Co-Owner of the Unit to which such Limited Common Elements are appurtenant, if any.
(d) Interior Surfaces. The cost of decoration and maintenance (but not repair or replacement except in cases of Co-Owner Fault) of all interior surfaces of General Common Element walls, floors and ceilings enclosing a Unit shall be borne by the Co-Owner of each Unit to which such Limited Common Elements are appurtenant.

(e) Windows and Doors. The cost of maintenance, repair of windows and doors, including storm doors and garage doors, and related hardware described in Section 4.2(e) above, shall be borne by the Co-Owner of the Unit which such Limited Common Elements are appurtenant.

(f) Limited Common Element Sidewalks and Driveways. The Co-Owner of each Unit shall be responsible for the cleaning of the sidewalks and driveways which are limited common elements appurtenant to that Co-Owner's Unit and for the shoveling or clearing of snow from the limited common element sidewalks. It is expressly understood that no icemelter shall contain calcium chloride. The Association shall be responsible for clearing of snow from all driveways and all other sidewalks.

(g) Other. The costs of maintenance, repair or replacement of all General and Limited Common Elements other than as described above, including without limitation the plowing and clearing of snow from all streets and parking areas within the Condominium, all exterior painting and staining and maintenance of all drainage and detention ponds and wetland areas, shall be borne by the Association, subject to any provisions of the Bylaws expressly to the contrary; provided that the Co-Owner of each Unit shall be responsible for the cost of repairing any damage to limited common elements appurtenant to that Co-Owner's unit which is not the result of ordinary wear and tear which is not covered by insurance required to be maintained by the Association.

The respective decoration, maintenance and replacement responsibilities set forth above shall be in addition to all such responsibilities set forth in Article XI hereof or elsewhere in the Condominium Documents.

No Co-Owner shall use his or her Unit or the Common Elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of any other Co-Owner in the use and enjoyment of his or her Unit or the Common Elements.

ARTICLE V

USE OF PROJECT

Section 5.1. Use of Units and Common Elements. No Co-Owner shall use his or her Unit or the Common Elements in any manner inconsistent with the purposes of the Project or in enjoyment of his or her unit or the Common Elements.

ARTICLE VI

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 6.1. Description of Units. Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of Brewer Town Homes Condominium as prepared by RBF Construction Inc. The architectural plans and specifications are on file with the City of Swartz Creek. Each Unit shall consist of: (1) with respect to each Unit basement, all that space contained within the unpainted surfaces of the basement floor and walls and the uncovered underside of the first-floor joists, and (2) with respect to the upper floors of Units, all that space contained within the interior finished unpainted walls and ceilings and from the unfinished subfloor, all as shown on the floor plans and sections in Exhibit B hereto all delineated with heavy outlines.

Section 6.2. Percentages of Value. The percentage of value assigned to each Unit is equal. The determination that the percentage of value should be equal was made after reviewing the comparative characteristics of the Units and concluding that there are not material differences among the units insofar as the allocation of percentage of value is concerned. The percentage of value assigned to each Unit shall be determinative of each Co-Owner's respective share of the Common Elements of the Condominium Project, the proportionate share of each respective Co-Owner in the proceeds and expenses of administration and the value of such Co-Owner's vote at meetings of the Association of Co-Owners. The total value of the Project is 100%.

Section 6.3. Modification of Units. The size, location, design or elevation of Units and/or General or Limited Common Elements appurtenant or geographically proximate to any Units described in Exhibit B, as it may be revised or amended from time to time, may be modified, in Developer's sole discretion, by amendment to this Master Deed effected solely by the Developer and its successors without the consent of any person so long as such modifications do not materially and unreasonably impair or diminish the appearance of the Project or the view, privacy or other significant attribute to amenity of any Unit which adjoins or is proximate to the modified Unit or Limited Common Element. Further, the Developer may, in connection with any such amendment, readjust percentages of value for all Units in a manner which gives reasonable recognition to such Unit or Limited Common Element modifications based upon the method of original determination of percentages of value for the Project. All of the Co-Owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have unanimously consented to such amendment or amendments to this Master Deed to effectuate the foregoing and, subject to the limitations set forth herein, proportionate reallocation of percentages of value of existing Units which Developer or its successor may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other Documents necessary tio effectuate the foregoing.

ARTICLE VII

EXPANSION OF CONDOMINIUM

Section 7.1. Area of Possible Future Development. The Condominium Project established pursuant to the initial Master Deed of Brewer Town Homes Condominium and consisting of (15) Units is intended to be the first stage of an Expandable Condominium under the Act to contain in its entirety a maximum of (45) Units. Additional Units, if any, will be added by expanding the Condominium Project to include any additional land now owned or hereafter acquired by Developer and located within one mile of the existing Condominium which may include, without limitation, any portion or portions, or all, of the following described land: The Westerly 240ft of lots 4-13, supervisors plat of Swartz Creek, Genesee County, Michigan.

Section 7.2. Increase of Number of Units. Any other provisions of the Master Deed notwithstanding, the number of Units in the Project may, at the option of the Developer, from time to time, within a period ending no later than (6 years) from the date of recording this Master Deed, be increased by the addition to the Condominium of any portion of the area of future development and the establishment of Units and/or other amenities or improvements thereon. The foregoing notwithstanding, the time within which the Developer must construct any or all of the buildings, Units or other improvements to be constructed within the Area of Future Development, shall be limited as provided in Section 9.6 below. The locations, nature, appearance, design (interior and exterior) and structural components of the buildings, Units and other improvements to be constructed within the areas of future development

shall be determined by the Developer in its sole discretion subject only to applicable approval as may be required by public authority or authorities.

Section 7.3. Expansion Not Mandatory. Nothing herein contained shall in any way obligate the Developer to enlarge the Condominium Project beyond the phase established by this Master Deed and the Developer may, in its discretion, establish all or a portion of said area of future development as a separate condominium project (or projects) or any other form of development. There are no restrictions on the election of the Developer to expand the Project other than as explicitly set forth herein. There is no obligation on the part of the Developer to add the Condominium Project all or any portion of the Area of Future Development described in this Article VII, nor is there any obligation to add portions thereof in any particular order, nor to construct particular improvements thereon in any specific locations.

ARTICLE VII

CONTRACTION OF CONDOMINIUM

Section 8.1. Right to Contract. As of the date this Master Deed is recorded, the Developer intends to construct 15 Units on the land described in Article II hereof all as shown on the Condominium Subdivision Plan. Developer reserves the right, however, to establish a Condominium Project consisting of fewer Units, but in no event less than two Units, and to withdraw from the Project any portion of the land described in Article II (hereinafter referred to as "Contractible Area"). Therefore, any other provisions of this Master Deed to the contrary notwithstanding, at the option of the Developer, at any time and from time to time, within a period ending (6 years) after the date of recording this Master Deed or at such later date as may be permitted pursuant to Section 9.6 below, the number of Units in this Condominium Project may be reduced and the land area of the Condominium Project contracted to any number determined by the Developer in its sole judgment.

Section 8.2. Withdrawal of Land. In connection with such contraction, the Developer unconditionally reserves the right to withdraw from the Condominium Project such portion or portions of the land, including without limitation any land added to the condominium pursuant to Article VII above, as is not reasonably necessary to provide access to or otherwise serve the Units included in the Condominium Project as so contracted. Developer reserves the right to use the portion of the land so withdrawn to establish, in its sole discretion, a separate condominium project (or projects) or any other form of development. Developer further reserves the right, subsequent to such withdrawal but prior to (6 years) from the date of recording this Master Deed, to expand the Project as so reduced to include all or any portion of the land so withdrawn.

ARTICLE IX

OPERATIVE PROVISIONS

Any expansion or contracting of the project pursuant to Article VII and VIII above or conversion of any portions of the project pursuant to Article XIII below shall be governed by the provisions as set forth below.

Section 9.1. Amendment of Master Deed and Modification of Percentages of Value. Such expansion, contraction or conversion of Common Elements in this Condominium Project shall be given effect by appropriate amendments to this Master Deed In the manner provided by law, which amendments shall be prepared by and at the discretion of the Developer and shall provide that the percentages of value set forth in Article VI hereof shall be proportionately readjusted in order to preserve a total value of 100% of the entire Project resulting from such amendments to this Master Deed. The precise determination of the readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the original method of determining percentages of value for the Project.

Section 9.2. Redefinition of Common Elements. Such amendments to the Master Deed shall also contain such further definitions and re-definitions of General or Limited Common Elements as may be necessary to adequately describe, serve and provide access to the additional parcel or parcels being added to the Project by such amendments. In connection with any such amendments, the Developer shall have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article, including, but not limited to, the connection of driveways, roadways and sidewalks in the Project to any driveways, roadways and sidewalks that may be located on, or planned for the area of future development and to provide access to any Unit that is located on, or planned for the area of future development from the driveways, roadways and sidewalks located in the Project.

Section 9.3. Right to Modify Floor Plans. The Developer further reserves the right to amend and alter the floor plans and/or elevations of any buildings and/or Units described in the Condominium Subdivision Plan attached hereto. The nature and appearance of all such altered buildings and/or Units shall be determined by the Developer in its sole discretion.

Section 9.4. Consolidating Master Deed. A consolidating Master Deed shall be recorded pursuant to the Act within one year after the date when the Project is finally concluded as determined by the Developer in order to incorporate into one set of instruments all successive stages of development. The Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendments thereto.

Section 9.5. Consent of Interested Persons. All of the Co-Owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendments to this Master Deed as may be proposed by the Developer to effectuate the purposes of Article VII and VIII above and Article XIV below and to any proportionate reallocation of percentages of value of existing Units which the Developer may determine necessary in conjunction with such amendments. All such interested persons irrevocably appoint the Developer as agent and attorney for the purpose of execution of such amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of re-recording the entire Master Deed or the Exhibits hereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto.

Section 9.6. Completion of Construction, Withdrawal of Land. Developer shall have until the later of (a) then (10 year) from the date of commencement of construction of the project by the Developer, or (b) six (6 years) after the last date on which the Developer has exercised a right of expansion, contraction or conversion pursuant to Articles VII, VIII, and XIII to complete the development and construction of Units in the Condominium. If the Developer has not completed the development and construction of the entire Condominium within that time period, Developer and its successors and assigns shall have the right at any time prior to the expiration of that time period and without regard to the limits contained in Article VIII, as provided in Section 67(3) of the Act, to

withdraw from Project all undeveloped portions of the Project without the prior consent of any Co-Owners, mortgagees of Units in the Project, or any other party having an interest in the Project. Such withdrawal shall be effected by an amendment to this Master Deed as provided in this Article IX. The undeveloped portions of the Project so withdrawn shall be automatically granted easements for utilities, for ingress and egress and for other purposes as provided in Article X below through the Condominium Project for the benefit of the withdrawn land, which easements shall automatically arise without the necessity of executing or recording any separate easement instruments. If the undeveloped land is not withdrawn prior to expiration of the foregoing time period, such land shall remain part of the Condominium Project as general common elements and Developer's right to construct Units on that land shall cease. In that event, if it becomes necessary to adjust percentages of value of existing Units as a result of fewer Units having been constructed, and if the Developer has not recorded an appropriate amendment to this Master Deed Adjusting the percentages, the Association shall have the right to do so, following the formula established in Article V above, or any Co-Owner or the Association may bring an action in the circuit court for the county in which the Project is located to obtain a court order or judgment revising the percentages of value pursuant to Section 96 of the Act.

ARTICLE X

EASEMENTS, DEDICATION OF ROADS

Section 10.1. Easement for Maintenance of Encroachments and Utilities. In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling or moving of a building, or due to survey errors, or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the land, structures, buildings, improvements and walls (including interior Unit walls) contained therein for the continuing maintenance and repair of all utilities in the Condominium. There shall exist easements of support with respect to any Unit interior wall that supports a common element. One of the purposes of this Section is to clarify the right of the Co-Owners to maintain structural elements and fixtures which project into the Common Elements surrounding each Unit notwithstanding their projection beyond the Unit perimeters.

Section 10.2. Easements Retained by Developer

(a) Access Easements. Developer reserves for the benefit of itself, its successors and assigns, and all future owners of the land in the Area of Future Development which may be added to the Project as described in Article VII, or any portion or portions thereof, whether the same is added to the Condominium or not, and/or any land that may be withdrawn from the Condominium pursuant to Article VII, or Section 9.6 above, easements for the unrestricted use of all roads, walkways and other General Common Elements in the Condominium for the purpose of further development, construction and expansion (on or off the Condominium Premises) by it or its successors and assigns and also for the purpose of perpetual ingress and egress to and from all or any portion of the land described in Article VII or any withdrawn land. In order to achieve the purposes of this Article and of Articles VII and VIII of this Master Deed, Developer shall have the right, without charge to the Developer other than the cost of the work to be performed, or as otherwise

expressly provided herein, to alter any General Common Element areas existing between said road and any portion of the land described in Article VII or any withdrawn land by instillation of curb cuts, paving, drives, walks and roadway connections at such locations on and over the General Common Elements as the Developer may elect from time to time. Developer shall also have the right, in furtherance of its expansion, construction, development and sales activities on the Condominium or in the area of future development, to go over and across, any portion of the General Common Elements from time to time as Developer may deem necessary for such purposes. In the event Developer disturbs any area of the Condominium Premises adjoining such curb cuts, paving, drives, walks or roadway connections or other General Common Elements upon installation thereof or in connection with its expansion, construction, development and sales activities, Developer shall, at its expense, restore such disturbed areas to substantially their condition existing immediately prior to such disturbance. All continuing expenses or maintenance, repair, replacement and resurfacing of any road used for perpetual access purposes referred to in this Section shall be perpetually shared by the Owners of this Condominium and, if not added to this Condominium, the Owners of any developed portions of the land described in Article VII or any withdrawn land for which the closest means of access to a public road is over such road or roads. The Co-Owners in this condominium shall be responsible from time to time for payment of a proportionate share of said expenses which share shall be determined by multiplying such expenses times a fraction, the numerator of which is the number of completed dwelling Units in this Condominium, and the denominator of which is comprised of the number of such Units plus all other completed dwelling Units on the land described in Article VII or any withdrawn land for which the closest means of access to a public road is over such road. Developer may, by a subsequent instrument prepared and recorded in its discretion without consent from any interested party, specifically define by legal description the easement of access reserved hereby, if Developer deems it necessary or desirable to do so, but such easements shall arise and exist whether or not any such instrument is executed or recorded.

(b) Granting Utility Rights to Agencies. The Developer reserves the right at any time during the Development and Sales Period to grant easements for utilities over, under and across the Condominium to appropriate governmental agencies or public utility companies and to transfer title of utilities to governmental agencies or to utility companies. Any such easement or transfer of title may be conveyed by the Developer without the consent of any Co-Owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit B hereto, recorded in the Genesee County Records. All of the Co-Owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time amendments to this Master Deed as may be required to effectuate the foregoing grant of easement or transfer of title.

Section 10.3. Grant of Easements by Association. The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant such easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium, subject, however, to the approval of the Developer during the Development and Sales period. No easements created under the Condominium Documents may be materially modified, nor may any of the obligations with respect thereto be varied,

without the consent of each person benefited thereby. The foregoing shall not be deemed to require approval of all Unit owners to the modification of easements that benefit the Project generally.

Section 10.4. Easements for Maintenance, Repair and Replacement. The Developer, the Association and all public or private utility companies shall have such easements over, under, across and through the Condominium Premises, including all Units and Common Elements as may be necessary to develop, construct, market and operate any Units within the land described in Articles II and VII hereof and any withdrawn land, and also to fulfill any responsibilities or maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents or by law. These easements include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to water meters, sprinkler controls and valves and other Common Elements located within any Unit or its appurtenant Limited Common Elements. It is also a matter of concern that a Co-Owner may fail to properly maintain his Unit and its appurtenant Limited Common Elements in accordance with the Condominium Documents and standards established by the Association. Therefore, in the event a Co-Owner fails, as required by this Master Deed, the Bylaws or any rules and regulations promulgated by the Association, to properly and adequately maintain, repair, replace or otherwise keep his Unit or any improvements or appurtenances located therein or any Limited Common Elements appurtenant thereto, the Association (and/or the Developer during the Construction and Sales Period) shall have the right, and all necessary easements in furtherance thereof, (but not the obligation) to take whatever action or actions it deems desirable to so maintain, decorate, repair or replace the Unit, its appurtenance or any of its Limited Common Elements, all at the expense of the Co-Owner of the unit. Provided that, with respect to the Unit, the Association's rights under this Section 10.4 shall be limited to such maintenance, repairs and replacements as shall be necessary for the maintenance and preservation of the Common Elements and assets of the Condominium. Failure of the Association (or the Developer) to take any such action shall not be deemed a waiver of the Association's (or the Developer's) right to take any such action at a future time. All costs incurred by the Association or the Developer in performing any responsibilities which are required, in the first instance to be borne by any Co-Owner, shall be assessed against such Co-Owner and shall be due and payable with his monthly assessment next falling due; further, the lien for nonpayment shall attach in all cases of regular assessments and such assessments may be enforced by the use of all means available to the Association under the Condominium Documents and by law for the collection of regular assessments including, without limitation, legal action, foreclosure of the lien securing payment and imposition of fines.

Section 10.5. Right to Dedicate. The Developer reserves the right at any time during the Development and Sales Period to dedicate to the public a right-of-way of such width as may be required by the local public authority over any or all of the roadways in Brewer Town Homes Condominium, shown as General Common Elements in the Condominium Subdivision Plan. Any such right-of-way dedication may be evidenced by an appropriate amendment to this Master Deed and to the Condominium Subdivision Plan hereto, recorded in the Genesee County Records and, if required by the government agency responsible for the repairs and maintenance of such roadways, by deed or other appropriate instrument. All of the Co-Owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to effectuate the foregoing right-of-way dedication and hereby appoint the Developer as their respective attorney-in-fact to execute any and all such deeds, which power of attorney shall be irrevocable and coupled with an interest.

Section 10.6. Telecommunications Agreements. The Developer or the Association, acting through its duly constituted Board of Directors and subject to the Developer's approval during the Development and Sales Period, shall have the power to grant such easements, licenses and other rights of entry, use and access and to enter into any contract agreement, including wiring agreements, right-of-way agreements, access agreements and multiunit agreements and, to the extent allowed by law, contract for sharing of any installation of periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, video-text, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which will violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing same or sharing periodic subscriber service fees, shall be receipts affecting the administration of the condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

Section 10.7. Emergency Vehicle Access Easement. There shall exist for the benefit of the City of Swartz Creek, the County of Genesee or any emergency service agency, an easement over all roads in the Condominium Project for use by the City, County, and/or emergency vehicles. Said easement shall be for purposes of ingress and egress to provide, without limitation, fire and police protection, ambulances and rescue services and other lawful governmental or private emergency services to the Condominium Project and Co-Owners thereof. This grant of easement shall in no way be construed as a dedication of any streets, roads, or driveways to the public.

Section 10.8. Existing Easements The Condominium Premises are subject to certain existing easements.

ARTICLE XI

AMENDMENT

This Master Deed and the Condominium Subdivision Plan may be amended with the consent of not less than sixty-six and two-thirds percent (66-2/3%) of the Co-Owners entitled to vote as of the record date of such vote, except as hereinafter set forth:

Section 11.1. Modification of Units or Common Elements. No Unit dimension may be modified in any material way without the consent of the Co-Owner and mortgagee of such Unit nor may be nature or extent of the Limited Common Elements nor the responsibility for maintenance, repair or replacement thereof be modified in any material way without the written consent of the Co-Owner and mortgagee of the Unit to which the same are appurtenant, except as otherwise expressly provided in this Master Deed or in the Bylaws to the contrary.

Section 11.2. Mortgagee Consent.

(a) When Consent Required. Whenever a proposed amendment would materially alter or change the rights of mortgagees generally and subject to the limitations of subsection 11.2(b)(8) below, such

amendments shall require the approval of not less than sixty-six and two-thirds percent (66-2/3%) of all mortgagees of record as of the date on which the proposed amendment is approved by vote of the requisite majority of Co-Owners. An amendment shall not be deemed to materially alter or change the rights of a mortgagee if, by way of illustration but not limitation, it is of the type described in Section 11.3 below, or if, in the written opinion of an appropriately licensed real estate appraiser, the amendment does not detrimentally change the value of any Unit affected by the amendment. A mortgagee shall not be required to appear at a meeting of the Association to register its vote concerning any material amendment to the Master Deed and the approval of mortgagees shall be solicited by written ballots. If a mortgagee fails to return a ballot within ninety (90) days of mailing to the mortgagee the ballot shall be counted as approving the amendment,

(b) Procedure for Obtaining Mortgagee Consent. Whenever an amendment to this Master Deed requires, or appears to require, the approval of mortgagees, such approval shall be solicited in accordance with, and subject to the limitations of, the following procedure:

(1) The date on which the proposed amendment is approved by the requisite majority of Co-Owners is considered the "Control Date."

(2) Only those mortgages who hold a duly recorded first mortgage or a duly recorded assignment of a mortgage against one or more Condominium Units in the Condominium Project on the Control Date are entitled to vote on the amendment. Each mortgagee entitled to vote shall have one vote for each Condominium Unit in the project that is subject to its mortgage or mortgages, without regard to how many mortgages the mortgagee may hold on a particular Condominium Unit.

(3) The Association of Co-Owners shall give a notice to each mortgagee entitled to vote containing all of the following:

i. A copy of the amendment or amendments as passed by the Co-Owners

ii. A statement of the date that the Amendment was approved by the requisite majority of Co-Owners

iii. An envelope addressed to the entity authorized by the board of directors for tabulating mortgagee votes.

iv. A statement containing language in substantially the form described in subsection 11.2(b)(4) below.

v. A ballot providing spaces for approving or rejecting the amendment and a space for the signature of the mortgagee or an officer or other authorized representative of the mortgagee.

vi. A statement of the number of Condominium Units subject to the mortgage or mortgages of the mortgagee.

vii. The date by which the mortgagee must return its ballot.

(4) The notice provided pursuant to subsection 11.2(b)(3) above shall contain a statement in substantially the following form:

A review of the Association records reveals that you are the holder of one or more mortgages recorded against title to one or more Units in the Old Mill Farm Condominium. The Co-Owners of the Condominium adopted the attached amendment to the Condominium documents on (insert Control Date). Pursuant to the terms of the Condominium documents and/or the Michigan Condominium Act, you are entitled to vote on the amendment. You have one vote for each Unit that is subject to your mortgage or mortgages.

The Amendment will be considered approved by mortgagees if it is approved by 66-23% of the mortgagees. In order to vote, you must indicate your approval or rejection on the enclosed ballot, sign it, and return it not later than 90 days from (the Control Date). Failure to timely return a ballot will constitute a vote for approval. If you oppose the amendment, you must vote against it.

(5) The Association shall mail the notice required by subsection (3) to each mortgagee at the address provided in the mortgage or assignment, or in a request for notices, by certified mail, return receipt requested, postmarked within 30 days after the Control Date.

(6) The amendment is considered to be approved by the mortgagees if it is approved by 66-2/3% of the mortgagees whose ballots are received, or are deemed to have approved the amendment in accordance with subsection 11.2(a) above, by the entity authorized by the board of directors to tabulate mortgagee votes not later than 100 days after the Control Date. In determining the 100 days, the Control Date itself shall not be counted but the 100th day shall be included unless the 100th day is a Saturday, Sunday, legal holiday, or holiday on which the United States postal service does not regularly deliver mail, in which case the last day of the 100 days shall be the next day that is not a Saturday, Sunday, legal holiday, or holiday on which the United States postal service does not regularly deliver mail.

(7) The Association shall maintain a copy of the notice, proofs of mailing of the notice, and the ballots returned by the mortgagees for a period of 2 years after the Control Date.

(8) Notwithstanding any other provision of this Master Deed to the contrary, mortgagees are entitled to vote on amendments to the Condominium documents only under the following circumstances:

i. Termination of the Condominium Project.
ii. A Change in the method or formula used to determine the percentage of value assigned to a unit subject to the mortgagee's mortgage.
iii. A reallocation of responsibility for maintenance, repair, replacement, or decoration for a Condominium Unit, its appurtenant limited common elements, or the general common elements from the

Association to the Co-Owner of the Condominium Unit subject to the mortgagee's mortgage.

iv. Elimination of a requirement for the Association to maintain insurance on the Project as a whole or a Condominium Unit subject to the mortgagee's mortgage or reallocation of responsibility for obtaining or maintaining, or both, insurance from the Association to the Co-Owner of the Condominium Unit subject to the mortgagee's mortgage.

v. The modification or elimination of an easement benefiting the Condominium Unit subject to the mortgagee's mortgage.

vi. The partial or complete modification, imposition, or removal of leasing restrictions for Condominium Units in the Condominium Project.

Section 11.3. By the Developer. Pursuant to section 90(1) of the Act, the Developer hereby reserves the right, on behalf of itself and on behalf of the Association, to unilaterally amend this Master Deed and the other Condominium Documents without approval of any Co-Owner or mortgagee for the purpose of exercising any right or power reserved to Developer in this Master Deed, correcting survey or other errors and for any other purpose unless the amendment would materially alter or change the rights of a Co-Owner or mortgagee, in which event the affected Co-Owner's and mortgagee's consent shall be required as provided above. Such permitted unilateral amendments shall include, without limitation amendments to modify the types and sizes of unsold Condominium Units and/or appurtenant Limited Common Elements; amendments to facilitate conventional mortgage loan financing for existing or prospective Co-Owners; amendments enabling the purchase of such mortgage loans by the Federal Home Loan Mortgage Association, or any other agency of the federal government or the State of Michigan; and amendments required by The City of Swartz Creek, the County of Genesee or other appropriate governmental authority in connection with the dedication of the roads in the Project.

Section 11.4. Change in Percentage of Value. The value of the vote of any Co-Owner and the corresponding portion of common expenses assessed against such Co-Owner shall not be modified without the written consent of the Developer (so long as Developer owns any Unit in the Condominium or the Areas of Future Development or retains the right to expand the Condominium or any other right granted or reserved to Developer in this Master Deed or the Bylaws),

Section 11.5. Termination, Vacation, Revocation or Abandonment. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of the Developer (so long as Developer owns any unit in the Condominium or the Areas of Future Development or retains the right to expand the Condominium or any other right granted or reserved to Developer in this Master Deed or the Bylaws), eighty percent (80%) of non-developer Co-Owners and eighty percent (80%) of first mortgagees; provided, if there are no non-developer Co-Owners, Developer shall have the right to terminate the Condominium unilaterally with the consent of the holder of any mortgage on the Project.

Section 11.6. Developer Approval. During the Development and Sales Period, the Condominium Documents shall not be amended, nor shall the provisions thereof be modified by any other amendment to this Master Deed without the written consent of the Developer.

Section 11.7. Amendment Procedure. The procedure for amending the Master Deed shall be the same as set forth in Article XVIII of the Bylaws.

ARTICLE XII

ASSIGNMENT

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the power to approve or disapprove any act, use or proposed action or any other matter or thing, may be assigned by him to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing duly recorded in the office of the Genesee County Register of Deeds.

ARTICLE XIII

CONVERTIBLE AREAS

Section 13.1. Designation. Certain areas within the Project are hereby designated as Convertible Areas within which Units may be constructed or expanded and Limited Common Elements may be constructed and/or relocated. Any portion of such convertible area not so converted within the time provided in this Article shall thereupon cease to be convertible and shall revert to limited common elements.

Section 13.2. Conversion Rights of Developer. The Developer reserves the right, from time to time, within a period ending no later than the earlier of the date on which the last of the Units which may be created within the Condominium has been conveyed to a non-Developer Co-Owner or (6 years) from the date of recording this Master Deed, to expand any Unit into a designated Convertible Area; provided, that nothing herein contained shall obligate the Developer to expand any Unit or Limited Common Element whatsoever.

Section 13.3. Compatibility of Improvements. All improvements constructed within the Convertible Areas described above shall be reasonably compatible with the structures on other portions of the Condominium Project. No improvements, other than as above indicated, may be created within the Convertible Areas.

ARTICLE XIV

SALES FACILITIES

The Developer may maintain offices, model units and similar sales facilities in the Condominium. Developer shall pay all costs related to the use of such facilities while owned by Developer and restore the facilities to habitable status upon termination of use.

IN WITNESS WHEREOF, the Developer has caused this Master Deed to be executed the day and year first above written.

WITNESSES:

_____

_____

RBF Holdings, LLC., a Michigan limited liability company

BY:_____

Its:_____

The foregoing instrument was acknowledged before me on this ___day of _____ 2019, by , member of RBF Holdings LLC, a Michigan limited liability company, on behalf of the company.

Drafted by and when recorded return to:

RBF Holdings LLC

4140 Morrish Road

Swartz Creek, MI 48473

(810) 630-9111

EXHIBIT A
TO MASTER DEED
BREWER TOWN HOMES CONDOMINIUM

BYLAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

Brewer Town Homes Condominium, a residential Condominium Project located in the City of Swartz Creek, Genesee County, Michigan, shall be administered by an Association of Co-Owners which shall be a non-profit corporation, hereinafter called the "Association," organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the

Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-Owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his or her Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-Owners, prospective purchasers, mortgagees and prospective mortgagees of Units in the Condominium Project. All Co-Owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

ARTICLE II

ASSESSMENTS

All expenses arising from the management, administration and operation of the Condominium and the Association in pursuance of its authorizations and responsibilities as set forth in the Condominium Documents and the Act shall be levied by the Association against the Units and the Co-Owners thereof in accordance with the following provisions:

Section 2.1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-Owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

Section 2.2. Determination of Assessments. Assessments shall be determined in accordance with the following provisions:

(a)Budget: Regular Assessments. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis, shall be established in the budget and must be funded by regular payments as set forth in Section 2.2(c) below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten percent (10%) of the Association's current annual budget on a non-cumulative basis. SINCE THE MINIMUM STANDARD RRQUIRED BY THIS SUBPARAGRAPH MAY PROVE TO BE INADEQUATE FOR THIS PARTICULAR PROJECT, THE ASSOCIATION OF CO-OWNERS SHOULD CAREFULLY ANALYZE THE CONDOMINIUM PROJECT TO DETERMINE IF A GREATER AMOUNT SHOULD BE SET ASIDE, OR IF ADDITIONAL RESERVE FUNDS SHOULD BE ESTABLISHED FOR OTHER PURPOSES FROM TIME TO TIME. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-Owner and the assessment for said year shall constitute a lien against all Units as of the first day of the fiscal

year to which the assessments relate. Failure to deliver a copy of the budget to each Co-Owner shall not affect or in any way diminish such lien or the liability of any Co-Owner for any existing or future assessments. Should the Board of Directors, at any time decide, in its sole discretion: (1) that the assessments levied are or may prove to be insufficient (a) to pay the costs of operation and management of the Condominium; (b) to provide replacements of existing Common Elements; (c) to provide additions to the Common Elements not exceeding $1,000.00 annually for the entire Condominium Project; or (2) that an emergency exists, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Co-Owner consent, to levy assessments pursuant to the provision of Section 2.4 hereof. The discretionary authority of the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

(b) Special Assessments Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-Owners as hereinafter provided to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of a cost exceeding $1,000.00 for the entire Condominium Project per year; (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof; (3) assessments to purchase a Unit for use as a resident manager's Unit; or (4) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 2(a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty percent (60%) of all Co-Owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable to any creditors of the Association or of the members thereof.

(c)Apportionment of Assessments. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-Owners to cover expenses of administration shall be apportioned among and paid by the Co-Owners in accordance with the percentage of value allocated to each Unit in Section 6.2 of the Master Deed and without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit except as otherwise specifically provided in the Master Deed. Annual assessments as determined in accordance with Section 2.2(a) above shall be payable by Co-Owners in twelve (12) equal monthly installments, or such other periodic basis as the Board of Directors may determine, commencing with acceptance of a deed to or in a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. Special assessments as determined in accordance with Section 2.2(b) above shall be payable by Co-Owners in one installment within thirty (30) days after the date of the Association's statement for the same, or on such other basis as the Board shall determine.

(d)Limitation on Assessments for Litigation. The Board of Directors shall not have authority under this Section 2.2(d), or any other provisions of these Bylaws or the Master Deed, to levy any assessments, or to incur any expense or legal fees with respect to any litigation, without the prior approval, by affirmative vote, of not less than sixty-three and two-thirds percent (66-2/3%) of all Co-Owners in value and in number. This section shall not apply to any litigation commenced by the Association to enforce collection of delinquent assessments pursuant to Section 2.7 of these Bylaws. In no event

shall the Developer be liable for, nor shall any Unit owned by the Developer be subject to any lien for, any assessment levied to fund the cost of asserting any claim against Developer, whether by arbitration, judicial proceeding or otherwise.

Section 2.3. Developer's Responsibility for Assessments. The Developer of the Condominium, although a member of the Association, shall not be responsible at any time for payment of the regular Association assessments. The Developer, however, shall at all times pay all expenses of maintaining the completed Units that it owns, together with a proportionate share of all current expenses of administration actually incurred by the Association from time to time, except expenses related to maintenance and use of the Units in the Project and of the improvements constructed within or appurtenant to the Units that not owned by Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses shall be based upon the ratio of all completed Units owned by the Developer at the time the expense is incurred to the total number of completed Units then in the Project. In no event shall the Developer be responsible for payment of any assessments for deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to completed Units owned by him and occupied by a tenant. For instance, the only expenses presently contemplated that the Developer might be expected to pay are developer's pro rata share of snow removal and other road maintenance from time to time as well as a pro rata share of any administrative costs which the Association might incur from time to time. Any assessments levied by the Association against the Developer for other purposes shall be void without Developer's consent. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit or to finance any litigation or other claims against the Developer, any cost of investigation and preparing such litigation or claim or any similar or related costs, nor any litigation costs assessed pursuant to Article XXII of the Bylaws unless the Developer has voted in favor or pursuing such litigation. A "completed unit" shall mean a unit with respect to which a certificate of occupancy has been issued by the City of Swartz Creek.

Section 2.4. Penalties for Default. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Each installment in default for ten (10) or more days may bear interest from the initial due date thereof at the rate of seven percent (7%) per annum until each installment is paid in full. The Association may, pursuant to Section 7.4 and Article VIII hereof, levy fines for late payment of assessments in addition to such late charge. Each Co-Owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his or her Unit which may be levied while such Co-Owner is the owner thereof through and including the period of redemption following foreclosure of the Association's lien pursuant to Section 2.7 below. Land contract vendors and vendees shall be jointly liable as Co-Owners for all assessments levied during the term of the land contract, except that a land contract purchaser from a Developer shall be solely personally liable and the Developer as land contract vendor shall not be personally liable for any such assessments levied up to and including the data upon which the Developer as land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorney's fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 2.5. Liens for Unpaid Assessments. Sums assessed by the Association which remain unpaid, including but not limited to regular assessments, special assessments, fines and late charges, shall constitute a lien upon the Unit or Units in the Project owned by the Co-Owner at the time of the assessment and upon the proceeds of sale thereof. Any such unpaid sum shall constitute

a lien against the Unit prior to all claims except real property taxes and first mortgages of record. All charges which the Association may levy against any Co-Owner, including without limitation interest on late payments, collection fees, late charges, advances made by the Association to pay taxes or to discharge other liens to protect the priority of the Association's lien, cost and attorneys fees incurred in connection with judicial enforcement proceedings and awarded by the court, and fines levied pursuant to Article VIII of the Bylaws, shall be deemed to be assessments secured by the lien for purposes of this Section and Section 108 of the Act.

Section 2.6. Waiver of Use or Abandonment of Unit. No Co-Owner may exempt himself or herself from liability for Co-Owner's contribution toward the expenses of administration by waiver of the use of enjoyment of any of the Common Elements or by the abandonment of Co-Owner's Unit.

Section 2.7. Enforcement.

(a)Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-Owner in the payment of any installment of the annual assessment levied against such Co-Owner's Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-Owner in default upon (7) days written notice to such Co-Owner of its intention to do so. A Co-Owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-Owner of ingress and egress to and from his or her Unit. In a judicial foreclosure auction, a receiver may be appointed to take possession of the Unit, if not occupied by the Co-Owner, and to rent the Unit and/or to collect a reasonable rental for the Unit from any persons, other than the Co-Owner of the Unit, renting the Unit. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions Section 7.4 of these Bylaws. All of these remedies shall be cumulative and not alternative.

(b)Foreclosure Proceedings. Each Co-Owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to the foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purpose of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. The redemption period following a foreclosure sale, whether by advertisement or pursuant to judicial foreclosure, shall be six months in all cases, except if the Unit foreclosed upon is abandoned, in which case the redemption period shall be one month. Further, each Co-Owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to sell or cause to be sold the Unit with respect to which the assessments is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-Owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he or she was notified of the provisions of this subparagraph and that he or she voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit. The Association shall be entitled to bid on and purchase the Unit

at any such foreclosure sale, which bid shall be a credit bid up to the amount of the lien against the Unit, including principal, interest and all other costs and expenses chargeable by the Association in the event of a foreclosure.

(c)Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-Owner(s) at his, her or their last known address, a written notice that one or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (1) the affiant's capacity to make the affidavit, (2) the statutory and other authority for the lien, (3) the amount outstanding (exclusive of interest, cost, attorneys' fees and future assessments), (4) the legal description of the subject Unit(s), and (5) the name(s) of the Co-Owner(s) of record. The notice may also state the amount of interest, costs, attorneys' fees and other charges as of the date of the notice which are also secured by the lien; provided that the failure to include such additional amounts in the notice shall not prejudice the right of the Association to recover such amounts, and such amounts shall remain secured by the lien as provided in Section 2.5 above. Such affidavit shall be recorded in the office of Genesee County Register of Deeds prior to commencement of any foreclosure proceeding, but it need to have been recorded as of the date of mailing. If the delinquency is not cured within the ten-day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the even the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Co-Owner and shall inform Co-Owner that he or she may request a judicial hearing by bringing suit against the Association.

(d)Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-Owner in any assessments, foreclose on a lien or otherwise enforce the provisions of the Master Deed or these Bylaws, the court shall award to the prevailing party the costs, expenses and reasonable attorneys' fees, as determined by the court, incurred in connection with those proceedings.

Section 2.8. Statement as to Unpaid Assessments. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special, and all interest, late charges, fines, costs, and attorneys' fees for which the selling Co-Owner is liable. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments, interest, late charges, fines, costs, and attorney fees as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein with respect to the purchaser and the purchaser's mortgagee only. Upon the payment of the sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments, interest, late charges, fines, costs, and attorneys fees and the lien securing the same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Upon the sale or conveyance of a Condominium Unit, all unpaid assessments, interest, late charges, fines, costs, and attorney fees against a Condominium Unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except the following:

(a) Amounts due the state, or any subdivision thereof, or any municipality for taxes and special assessments due and unpaid on the Condominium Unit.
(b) Payments due under a first mortgage having priority thereto.

Section 2.9. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or changes resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit) which have priority over a first mortgage pursuant to Section 108 of the Act.

Section 2.10. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 2.11.Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-Owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 2.12 Construction Lien. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

ARTICLE III

ARBITRATION

Section 3.1. Scope and Election. Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between the Co-Owners and the Association, upon the election and written consent of all of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties thereto shall accept the arbitrator's decision, as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

Section 3.2. Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 3.1 above, no Co-Owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

Section 3.3 Election of Remedies. Such election and written consent by the parties to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

ARTICLE IV

INSURANCE

Section 4.1. Extent of Coverage. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workers' compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements and certain other portions of the Condominium Project, as set forth below, and such other insurance as the Board of Directors shall deem advisable. All such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

(a)Responsibilities of Co-Owners and Association. All such Insurance shall be purchased by the Association for the benefit of the Association, and the Co-Owners and their mortgagees, as their interests may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-Owners. Each Co-Owner shall be obligated to obtain insurance coverage at his or her own expense upon his or her Unit, all personal property, fixtures and improvements located therein, and its appurtenant Limited Common Elements. It shall be each Co-Owner's responsibility to determine by personal investigation or from his or her own insurance advisors the nature and extent of Insurance coverage adequate to his or her needs and thereafter to obtain Insurance coverage for his or her personal property and other fixtures, equipment and trim (as referred to in Subsection (b) below) located within his or her Unit or its appurtenant Limited Common Elements and for his or her personal liability for occurrences within his or her Unit or upon Limited Common Elements appurtenant to his or her Unit, and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverage. The Association, as to all policies which it obtains, and all Co-Owners, as to all policies which they obtain, shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-Owner of the Association.

(b)Insurance of Common Elements. All structural elements contained within and attached to the Units as in existence upon creation of the Condominium, or, if expanded in accordance with Article VII of the Master Deed, structures constructed on Units that may be added to the Project in the future, in accordance with the Architectural Plans on file with the City of Swartz Creek and all General Common Elements of the Condominium Project shall be Insured by the Association against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with the Association's Insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall be effected upon an agreed-amount basis for the entire Condominium Project with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total project destruction if the insurance proceeds failed, for some reason, to be equal to the total cost of the replacement). All information in the Association's records regarding insurance coverage shall be made available to all Co-Owners upon request and reasonable notice during normal business hours so that Co-Owners shall be enabled to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly constituted meeting to change the nature and extent of any applicable coverage, if so determined. Upon such annual reevaluation and effectuation of coverage, the Association shall notify all Co-Owners of the nature and extent of all changes in coverage. Such

coverage shall also include the pipes, wires, conduits and ducts contained within each Unit. It shall be each Co-Owners responsibility to determine the necessity for and to obtain insurance coverage for all fixtures, equipment, trim and other items or attachments within the Unit or any Limited Common Elements appurtenant to the thereto which were installed in addition to said standard items subsequent to the establishment of the Condominium Project, and the Association shall have no responsibility whatsoever for obtaining such extra coverage unless agreed specifically and separately between the Association and the co-Owner in writing.

(c)Premium Expenses. All premiums upon insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

(d)Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Co-Owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction.

Section 4.2. Authority of Association to Settle Insurance Claims. Each Co-Owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his or her true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workers' compensation insurance, if applicable, pertinent to the Condominium Project, the General Common Elements and the Limited Common Elements appurtenant to each Unit with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefore, to collect proceeds and to distribute the same to the Association, the Co-Owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to settle and compromise all claims arising under insurance coverage carried by the Association, to execute releases of liability and to execute all documents and to do all things on behalf of such Co-Owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE V

RECONSTRUCTION OR REPAIR

Section 5.1. Determination to Reconstruct or Repair. If any part of the Condominium Premises shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a)Partial Damage. If the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by a unanimous vote of all the Co-Owners in the Condominium that the Condominium shall be terminated.

(b)Total Destruction. If the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt unless eighty percent (80%) or more of the Co-Owners in value and number agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 5.2. Repair in Accordance with Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the Project, to a condition as comparable as possible to the condition existing prior to damage unless the Co-Owners shall unanimously decide otherwise.

Section 5.3. Co-Owner Responsibility for Repair.

(a)Definition of Co-Owner Responsibility. If the damage is only to a part of a Unit which is the responsibility of a Co-Owner to maintain and repair, it shall be the responsibility of the Co-Owner to repair such damage in accordance with Subsection (b) below.

(b)Damage to Interior of Unit. Each Co-Owner shall be responsible for the reconstruction, repair and maintenance of the interior of his Unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any Common Elements therein), interior trim, furniture, light fixtures and all appliances, whether free-standing or built in. In the event damage to interior walls within a Co-Owner's Unit, or to pipes, wires, conduits, ducts or other Common Elements therein, is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5.4. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-Owner, the Co-Owner shall be entitled to receive the proceeds of insurance relative thereto, and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-Owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 5.4. Association Responsibility for Repair. Except as provided in the Master Deed and Section 5.3 hereof, the Association shall be responsible for the reconstruction, repair and maintenance of the General Common Elements. Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as the existing before damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-Owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 5.5. Timely Reconstruction and Repair. If damage to Common Elements or a Unit adversely affects the appearance of the Project, the Association or Co-Owner responsible for the reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay, and shall complete such replacement within six months after the date of the occurrence which caused damage to the property.

Section 5.6. Eminent Domain. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

(a)Taking of Unit. In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the Co-Owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the Co-Owner and his or her mortgagee, they shall be divested of all interest in the Condominium Project. In the event that any condemnation award shall become payable to any Co-Owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Co-Owner and his or her mortgagee, as their interests may appear.

(b)Taking of Common Elements. If there is any taking of any portion of the Condominium other than any Unit, the condemnation proceeds relative to such taking shall be paid to the Co-Owners and their mortgagees in proportion to their respective interest in the common Elements and affirmative vote of more than fifty percent (50%) of the Co-Owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c)Continuation of Condominium After Taking. In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article VI of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-Owners based upon the continuing value of the Condominium of one hundred percent (100%). Such amendment may be effected by and Officer of the Association duly authorized by the Association without the necessity of execution or specific approval thereof by any Co-Owner.

(d)Notification of Mortgagees. In the event any Unit in the Condominium, or any portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 5.7. Notification of FHLMC and FNMA. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation (FHLMC) or by the Federal National Mortgage Association (FNMA) then, upon request therefore by FHLMC, or FNMA, as the case may be, the Association shall give it written notice s such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds $10,000 in amount or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC or FNMA exceeds $1,000.

Section 5.8. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Co-Owner or any other party priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the

case of a distribution to Co-Owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI

RESTRICTIONS

All of the Units in the Condominium shall be held, used and enjoyed subject to the following limitations and restrictions:

Section 6.1. Residential Use. No Unit in the Condominium shall be used for other than single-family residential purposes and the Common Elements shall be used only for purposes consistent with single-family residential use.

Section 6.2. Leasing and Rental.

(a)Right to Lease, A Co-Owner may lease his or her Unit for the same purposes set forth in Section 6.1 above; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b) below. No Co-Owner shall lease less than an entire Unit in the Condominium and no Co-Owner, other than the Developer, shall be permitted to lease his or her Unit under a lease with an initial term of less than six (6) months, unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions if the Condominium Documents. The Developer may lease any number of Units in the Condominium in its discretion.

(b)Leasing Procedures. The leasing of Units in the Projects shall conform to the following provisions:

(1)A Co-Owner, including the Developer, desiring to rent or lease a Unit, shall disclose the fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. If no written lease form will be used, the Co-Owner or Developer shall provide the Association with the name and address of the potential lessee, along with the rental amount and rent due dates under the proposed rental agreement. If Developer desires to rent Units before the Transitional Control Date, it shall notify either the Advisory Committee or each Co-Owner in writing.

(2)Tenants and non-owner occupants shall comply with all of the conditions of the Condominium Documents and all written leases and rental agreements shall so state.

(3)If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

(i)The Association shall notify the Co-Owner by certified mail advising of the alleged violation by the tenant.

(ii)The Co-Owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that violation has not occurred.

(iii)If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf of derivatively by the Co-Owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the Co-Owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-Owner liable for any damages to the Common Elements caused by the Co-Owner or tenant in connection with the Unit or Condominium Project.

(4)When a Co-Owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-Owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-Owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant. If the tenant, after being notified, fails or refuses to remit to the Association rent otherwise due the Co-Owner, the Association may do either or both of the following:

(i)Issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce the notice by summary proceedings.

(ii)Initiate proceedings pursuant to subsection (3) (ii) above.

(c)Restrictions on Amendment. The provisions of this Section 6.2 shall not be amended prior to the transitional control date without the approval of the Developer. Following the transitional control date, the Association may amend this Section 6.2 as provided in Article XI of the Master Deed (or Section 90(4) of the Act). No such amendment shall affect the rights of any lessor or lessee under a written lease or a rental agreement which is otherwise in compliance with this Section 6.2 and executed before the effective date of the amendment, nor shall any such amendment affect any Condominium Unit owned by the Developer so long as it is owned or leased by the Developer.

Section 6.3.

(a)Alterations and Modifications. No Co-Owner shall make alterations in exterior appearance or make structural modifications to his or her Unit (including interior walls through or in which there exist easements for support or utilities), nor make changes in any of the Common Elements, Limited or General, without the express written approval of the Board of Directors, including without limitation exterior painting or the erection of satellite dishes, antennas, lights, aerials, awnings, doors, shutters, or other exterior attachments or modifications; provided, that a Co-Owner shall be permitted to display on the exterior of his Unit one American flag not to exceed 3' x 5' (display of additional or different flags shall be subject to reasonable regulation by the Association). No Co-Owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves or any other element that must be accessible to service the Common Elements or any element which affects an

Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access.

(b)Exceptions for Persons with Disabilities. The provisions of subsection (a) above notwithstanding, the Co-Owner of a Unit occupied by, or regularly visited by, a person with a disability may make certain improvements or modifications as follows:

(1)A Co-Owner may make improvements or modification to the Co-Owner's Condominium Unit, including improvements or modifications to Common Elements and to the route from the public way to the door of the Co-Owner's Condominium Unit, at his or her expense, if the purpose of the improvement or modification is to facilitate access to or movement within the Unit for persons with disabilities who reside in or regularly visit the Unit, or to alleviate conditions that could be hazardous to person with disabilities who reside in or regularly visit the Unit. The improvement or modification shall not impair the structural integrity of a structure or otherwise lessen the support of a portion of the Condominium Project. The Co-Owner is liable for the cost of repairing any damage to a Common Element caused by building or maintaining the improvement or modification, unless the damage could reasonably be expect in the normal course of building or maintaining the improvement or modification. The improvement or modification may be made notwithstanding any prohibitions or restrictions contained in the Master Deed or these Bylaws, but shall comply with all applicable state and local building code requirements and health and safety laws and ordinances and shall be made as closely as reasonably possible in conformity with the intent of applicable prohibitions and restrictions regarding safety and aesthetics of the proposed modification.

(2)An improvement or modification allowed by this subsection (b) that affects the exterior of the Condominium Unit shall not unreasonably prevent passage by other residents of the Condominium Project. A Co-Owner who has made exterior improvements or modifications allowed by this subsection shall notify the Association in writing of the Co-Owner's intention to convey or lease his or her Condominium Unit to another at least 30 days before the conveyance or lease. No more than 30 days after receiving a notice from a Co-Owner under this subsection, the Association may require the Co-Owner to remove the improvement or modification at the Co-Owner's expense. If the Co-Owner fails to give timely notice of a conveyance or lease, the Association at any time may remove or require the Co-Owner to remove the improvement or modification at the Co-Owners expense. However, the Association may not remove or require the removal of an improvement or modification if a Co-Owner intends to resume residing in the Unit within 12 months or a Co-Owner conveys or leases his or her Condominium Unit to a person with disabilities who needs the same type of improvement or modification or who has a person residing with him or her who requires the same type of improvement or modification.

(3)If a Co-Owner makes an exterior improvement or modification allowed under this subsection (b), the Co-Owner shall maintain liability insurance, underwritten by an insurer authorized to do business in this state and naming the Association as an additional insured, in an amount adequate to compensate for personal injuries caused by the exterior improvement or modification. The Co-Owner is not liable for acts or omissions of the Association with respect to the exterior improvement or modification and is not required to maintain liability insurance with respect to any Common Element. The Association is responsible for maintenance, repair, or replacement of the improvement or modification only to the extent of the cost

currently incurred by the Association for maintenance, replacement, repair, and replacement of Common Elements covered or replaced by the improvement or modification. All cost of maintenance, repair, and replacement of the improvement or modification exceeding that currently incurred by the Association for maintenance, repair, and replacement of the Common Elements covered or replaced by the improvement or modification shall be assessed to and paid by the Co-Owner of the Unit serviced by the improvement or modification.

(4)Before an improvement or modification allowed by this subsection (b) is made, the Co-Owner shall submit plans and specifications for the improvements or modifications to the Association for review and approval. The association shall determine whether the proposed improvement or modification substantially conforms to the requirements of this subsection (b) and shall not deny a proposed improvement or modification without good cause. If the Association denies a proposed improvement or modification, the Association shall list, in writing the changes needed to make the proposed improvement or modification conform to the requirements of this subsection (b) and shall deliver that list to the Co-Owner. The Association shall approve or deny the proposed improvement or modification not later than 60 days after the plans and specifications are submitted by the Co-Owner proposing the improvements or modifications to the Association. If the Association does not approve or deny submitted plans and specifications within the 60-day period, the Co-Owner may make the proposed improvements or modifications without the approval of the Association. A Co-Owner may bring an action against the Association and the officers and directors to compel those persons to comply with this section if the Co-Owner disagrees with a denial by the Association of the Co-Owner's proposed improvement or modification.

(5)As used in this subsection (b), "persons with disabilities" means an individual whose physical characteristics have a particular relationship to that individual's ability to be self-reliant in the individual's movement throughout, and use of, the building environment, as that term as defined in Section 2a(x) of the Michigan Construction Code, MCL 125.1502a(x).

Section 6.4. Activities, Nuisances. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, Limited or General, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-Owners of the Condominium, or which may diminish or destroy the reasonable enjoyment of other Units in the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time. Without limiting the scope or application of the foregoing, outdoor spotlights that shine into or otherwise illuminate other Units shall be deemed nuisances, as shall all horns, sirens or other noisemaking devices, whether attached to security systems or otherwise, which go off repeatedly or for an extended period of time. It shall be the responsibility of each Co-Owner whose Unit has such noisemaking devices to arrange for the monitoring and, if necessary, disabling of such noisemaking devises when the Co-Owner is not at home. No outdoor floodlights, sirens, alarms or other noisemaking devises shall be permitted without the prior approval of Developer or the Association, as appropriate. Developer or the Association, as applicable, shall be the final arbiter of whether a particular activity, animal, device or thing is in violation of the foregoing restrictions. No Co-Owner shall do or permit anything to be done or keep or permit to be kept in his or her Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-Owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. No Co-Owner shall use or permit any agent, employee, tenant, guest, invitee or family member of that Co-Owner to use anywhere on the Condominium Premises any firearms, air rifles, pellet guns, BB guns, bows and arrows, slingshots, paintball guns or other similar weapons, projectiles or devices.

Section 6.5. Pets. No animals or fowl (other than common household pets) shall be maintained by any Co-Owner; Household pets shall be subject to reasonable restriction by the Association as to size and number. Co-Owners maintaining pets shall exercise such care and restraint of their pets to ensure the pets are not obnoxious or offensive on account of noise (including excessive barking or howling), odor or unsanitary conditions or number of pets. No animal may be kept or bred for any commercial purposes. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be leashed and attended by some responsible person while on the Common Elements. No savage or dangerous animal shall be kept and any Co-Owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefore. Each Co-Owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-Owner. The Association may charge all Co-Owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to adopt such reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the Association may access fines for such violation in accordance with these Bylaws and in accordance with duly adopted rules and regulations of the Association.

Section 6.6. Aesthetics. The Common Elements, Limited or General, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. No unsightly condition shall be maintained on the exterior of any Unit including any patio, porch or deck, and only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use. Trash receptacles shall be maintained only in designated areas at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. In no event shall trash or trash receptacles be permitted to remain outside overnight, except in the event of a delayed or cancelled pickup, and then for not more than 24 hours. Neither the Common Elements nor the exterior of any Unit shall be used in any way for the drying, shaking or airing of clothing or other fabrics. No clotheslines shall be permitted. In general, no activity shall be carried on nor condition maintained by a Co-Owner, either in his or her Unit or upon the Common Elements, which is detrimental to the appearance of the Condominiums.

Section 6.7. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motor homes all terrain vehicles, snowmobiles, snowmobile trailers or vehicles, other than automobiles, motorcycles or other private vehicles used primarily for general personal transportation purposes, may be parked or stored upon the premises of the Condominium, unless parked in a garage or other area specifically designated therefore by the Association. All authorized vehicles shall be parked only in garages, driveways or parking spaces, and there shall be no overnight parking in any roadway unless expressly authorized by the Developer or the Association. No inoperable or unlicensed vehicles of any type may be brought or stored upon the Condominium Premises, either temporarily or permanently, except within an enclosed garage. Commercial vehicles and trucks shall not be parked in or about the Condominium, except as above provided or while making deliveries or pickups in the normal course of business. Each Co-Owner shall park his or her vehicle in the garage or parking space provided therefore. No overnight parking shall

be permitted on any of the streets within the Condominium except only as the Association may expressly permit from time to time. Extra vehicles may only be parked on driveways which are appurtenant to particular Units. Co-Owners shall, if the Association shall require, register with the Association all vehicles maintained on the Condominium Premises, and the Association may require that all authorized vehicles display a window sticker or other parking permit.

Section 6.8. Advertising. No signs or other advertising devises of any kind shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, without written permission from the Association and, during the Development and Sales period, from the Developer.

Section 6.9. Rules and Regulations. It is intended that the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-Owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by the Association, including the period of time prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-Owners.

Section 6.10. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit, and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-Owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit, and any Limited Common elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-Owner to provide the Association means of access to his or her Unit, and any Limited Common Elements appurtenant thereto during all periods of absence, and in the event of the failure of such Co-Owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-Owner for any necessary damage to his or her Unit and any Limited Common Elements appurtenant thereto caused by gaining such access.

Section 6.11. Landscape. No Co-Owner shall perform any landscaping or plant any trees, shrubs, or flowers or place any ornamental materials upon the Common Elements without the prior written approval of the Association, which may be withheld in the sole discretion of the Association. Any such consent may be conditioned upon requesting Co-Owner assuming complete responsibility for the care, maintenance and replacement of the approved landscaping.

Section 6.12. Common Element Use. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, patios and porches shall not be obstructed nor shall they be used for purposes other than that for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions may be left unattended on or about the Common Elements.

Section 6.13. Co-Owner Maintenance. Each Co-Owner shall maintain his or her Unit and any Limited Common Elements appurtenant thereto for which he or she has maintenance responsibility in a safe, clean and sanitary condition. If at any time a Co-Owner fails or refuses to carry out his obligation to maintain and repair any Limited Common Elements appurtenant to his Unit in a manner consistent with the high standards of the Condominium Project, then the Association shall have the right to cure any such disrepair required by these Bylaws and to charge the cost thereof to the individual Co-Owner upon seven (7) days written notice. Each Co-Owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone,

water, gas, plumbing, electrical or other utility conduits and systems and any other Common Elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-Owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him or her, or his or her family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Co-Owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-Owner in the manner provided in Article II hereof.

Section 6.14. Reserved Rights of Developer.

(a)Prior Approval by Developer. During the Development and Sales Period, no buildings, fences, walls, retaining walls, drives, walks or other structures or improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alteration to any structure be made (including in color or design), except interior alteration which do not affect structural elements of any Unit, nor shall any hedges, trees or substantial plantings or landscaping modifications be made, until plans and specifications, acceptable to the Developer, showing the nature, kind, shape, height, materials, color scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by Developer, its successors or assigns, and a copy of said plans and specifications, as finally approved, lodged permanently with Developer. Developer shall have the right to refuse to approve any such plan or specifications, or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reason; and in passing upon such plans, specifications, grading or landscaping, he shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to effect the same, and the degree of harmony therefore with the Condominium as a whole and any adjoining properties under development or proposed to be developed by Developer. The purpose of this Section is to assure the continued maintenance of the Condominium as beautiful and harmonious residential development, and shall be binding upon both the Association and upon all Co-Owners.

(b)Developers Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Development and Sales Period or of the Association in furtherance of its powers and purposes set forth herein and in its Article of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by Developer and Developer may continue to do so during the entire Development and Sales Period. Developer shall restore the areas so utilized to habitable status upon termination of use. Developer reserves the right to maintain a sign or signs on the Condominium Premises throughout the Development and Sales period that reflects the name of the project and identifies the Developer and/or any affiliate of Developer involved in the project, and any lender providing financing to Developer with respect to the Project.

(c)Enforcement of Condominium Documents. The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-Owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligations to maintain,

repair, replace and landscape in a manner consistent with the maintenance of such high standards, then Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair, and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws and other Condominium Documents throughout the Development and Sales Period not withstanding that he may no longer own a Unit in the Condominium, which right of enforcement shall include (without limitation) an action to restrain the Association or any Co-Owner from any activity prohibited by these Bylaws.

ARTICLE VII

REMEDIES FOR DEFAULT

Any default by a Co-Owner shall entitle the Association or another Co-Owner or Co-Owners to the following relief:

Section 7.1. Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-Owner or Co-Owners.

Section 7.2. Recovery of Costs. In any proceeding arising because of an alleged default by the Co-Owner or the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court, but in no event shall any Co-Owner be entitled to recover such attorneys' fees.

Section 7.3. Removal and Abatement. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-Owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-Owner arising out of the exercise of its removal and abatement power authorized herein.

Section 7.4. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-Owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations in accordance with Article VIII of these Bylaws.

Section 7.5. Non-waiver of Right. The failure of the Association or of any Co-Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-Owner to enforce such right, provision, covenant or condition in the future.

Section 7.6. Cumulative Rights, Remedies and Privileges. All rights, remedies and privileges granted to the Association or any Co-Owner or Co-Owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies,

nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 7.7. Enforcement of Provisions of Condominium Documents. A Co-Owner may maintain an action against the Association and its Officers and directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-Owner may maintain an action against any other Co-Owner for injunctive relief or for damages or any combination thereof for non compliance with the terms and provisions of the Condominium Documents or the Act.

ARTICLE VIII

ASSESSMENT OF FINES

Section 8.1. General. The violation by any Co-Owner, occupant or guest of any of the provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-Owner. Such Co-Owner shall be deemed responsible for such violations whether they occur as a result of his or her personal actions or the actions of his or her family, guests, tenants or any other person admitted through such Co-Owner to the Condominium Premises.

Section 8.2. Procedures. Upon any such violation being alleged by the Association, the following procedures will be followed:

(a)Notice. Notice of violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-Owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-Owner at the address as shown in the notice required to be filed with the Association pursuant to Section 8.3 of these Bylaws.

(b)Opportunity to Defend. The offending Co-Owner shall have an opportunity to appear before the Board of Directors and offer evidence in defense of the alleged violation. The appearance before the Board of Directors shall be at its next scheduled meeting, but in no event shall the Co-Owner be required to appear less than ten (10) days from the date of the notice.

(c)Default. Failure to respond to the notice of violation constitutes a default.

(d)Hearing and Decision. Upon appearance by the Co-Owner before the Board and presentation of evidence of defense, or, in the event of the Co-Owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

Section 8.3. Amounts. Upon violation of any of the provisions of the Condominium Documents and after default of the offending Co-Owner or upon the decision of the Association as recited above, the following fines shall be levied:

(a)First Violation: No fine shall be levied.

(b)Second Violation: Such amount as the Association Board of Directors shall determine, but not in excess of a Twenty-five ($25) fine.

(c)Third Violation: Such amount as the Association Board of Directors shall determine, but not in excess of a Fifty Dollar ($50) fine.

(d)Fourth Violation and Subsequent Violations: Such amount as the Association Board of Directors shall determine, but not in excess of a One Hundred Dollar ($100) fine for each violation.

Section 8.4. Collection. The fines levied pursuant to Section 8.3 above shall be assessed against the Co-Owner and the Unit and shall be due and payable on the first day of the following month. Failure to pay any such fine when due will subject the Co-Owner to all liabilities set forth in the Condominium Documents including, without limitations, those described in Article II and Article VII of these Bylaws.

ARTICLE IX

MORTGAGES

Section 9.1. Notice to Association. Any Co-Owner who mortgages his or her Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units." The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-Owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-Owner of such Unit that is not cured within sixty (60) days.

Section 9.2. Insurance. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

Section 9.3. Notification of Meetings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

Section 9.4. Notification of Mortgage Foreclosure. A mortgagee seeking to foreclose by advertisement a first mortgage of record held by that mortgagee covering a Condominium Unit shall give written notice to the Association of the commencement of foreclosure by serving upon the Association, within 10 days after the date of first publication, a copy of the published notice of foreclosure required by Michigan's statute governing foreclosure by advertisement. A mortgagee seeking to judicially foreclose a first mortgage of record covering a Condominium Unit shall give written notice to the Association of the mortgagee's intent to commence judicial foreclosure of the first mortgage by serving upon the Association, not less than 10 days before commencement of the judicial action, a notice setting forth the names of the mortgagors, the mortgagee, and if applicable the foreclosing assignee of a record assignment of the mortgage; the date of the mortgage and the date the mortgage was recorded; the amount claimed to

be due on the mortgage on the date of the notice; and a description of the mortgaged premises that substantially conforms with the description contained in the mortgage. The notices required by this Section 9.4 shall be served by certified mail, return receipt requested, addressed to the resident agent of the Association at the agent's address as shown on the records of the Michigan Corporation and Securities Bureau or, if there is no registered address, to the address the Association provides to the mortgagee, if any. The requirements of this Section 9.4 are established in accordance with Section 108(9) of the Act for the protection of the Association and failure of the mortgagee to provide notice as required by this Section 9.4 shall only provide the Association with legal recourse and will not, in any event, invalidate any foreclosure proceeding between a mortgagee and mortgagor.

ARTICLE X

VOTING

Section 10.1. Vote. Except as limited in these Bylaws, each Co-Owner shall be entitled to one vote for each Condominium Unit owed when voting by number and one vote, the value of which shall equal the total of the percentages allocated to the Unit(s) owned by such Co-Owner as set forth in the Article VI of the Master Deed, when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number.

Section 10.2. Eligibility to Vote. No Co-Owner, other than the Developer, shall be entitled to vote at any meeting of the Association, until he or she has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Section 13.2 of these Bylaws, no Co-Owner, other than the Developer, shall be entitled to vote prior to the to the date of the First Annual Meeting of members held in accordance with Section 11.2 below. The vote of each Co-Owner may be cast only by the individual representative designated by such Co-Owner in the notice required in Section 10.3 below or by a proxy given by such individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members and shall be entitled to vote during such period notwithstanding that the Developer may own no Units at some time or from time to time during such periods. After the first Annual Meeting the Developer shall be entitled to one (1) vote for each Unit which he owns. If, however, the Developer elects to designate a Director (or Directors) pursuant to its rights under Section 13.2(c)(1) or (2) hereof, he shall not then be entitled to also vote for the non-developer directors.

Section 10.3. Designation of Voting Representative. Each Co-Owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-Owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-Owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-Owner. Such notice shall be signed and dated by the Co-Owner. The individual representative designated may be changed by the Co-Owner at any time by filing a new notice in the manner herein provided.

Section 10.4. Quorum. The presence in person or by proxy of thirty-five percent (35%) of the Co-Owners in number and in value qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 10.5. Voting. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 10.6. Majority. A majority, except where otherwise provided herein, shall consist of more than fifty percent (50%) of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority above set forth of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

ARTICLE XI

MEETINGS

Section 11.1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-Owners as may be designated by the Association. Meetings of the Association shall be conducted in accordance with Sturgis Code of Parliamentary Procedure, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

Section 11.2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by Developer and may be called at any time after more than fifty percent (50%) of the Units of Brewer Town Homes Condominium (determined with reference to the recorded Consolidating Master Deed) have been conveyed and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer Co-Owners of seventy-five percent (75%) in number of all Units that may be created or fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Co-Owner of a Unit in the Project, whichever first occurs. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Association, and at least ten (10) days written notice thereof shall be given to each Co-Owner. The phrase “Units that may be created” as used in this paragraph and elsewhere in the Condominium Documents refers to the maximum number of Units which the Developer is permitted under the Condominium Documents to include in the Condominium.

Section 11.3. Annual Meeting. Annual meetings of members of the Association shall be held on the second Tuesday of March each succeeding year after the year in which the First Annual Meeting is held, at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than eight (8) months after the date of the First Annual Meeting. At such meetings there shall be elected by a ballot of the Co-Owners a Board of Directors in

accordance with the requirements of Article XIII of these Bylaws. The Co-Owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 11.4. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-Owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the Co-Owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 11.5. Notice of Meetings. It shall be the duty of the Secretary (or other Association Officer in the secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-Owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-Owner at the address shown in the notice required to be filed with the Association by Section 10.3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 11.6. Adjournment. If any meeting of Co-Owners cannot be held because a quorum is not in attendance, the Co-Owners who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 11.7. Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of Officers; (e) reports of committees; (f) appointment of inspectors or election (at annual meetings or special meetings held for the purpose of electing Directors or Officers); (g) election of Directors (at annual meeting or special meetings held for such purpose); (h) unfinished business; and (i) new business. Meetings of members shall be chaired by the most senior Officer of the Association present at such meeting. For purpose of this section, the order of seniority of Officers shall be President, Vice President, Secretary and Treasurer.

Section 11.8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 11.5 above for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirement; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the members specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (1) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (2) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 11.9. Consent of Absentees. The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waiver, consent or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 11.10. Minutes: Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the president or secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE XII

ADVISORY COMMITTEE

Within one (1) year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within one hundred twenty (120) days after conveyance to purchaser of one-third (1/3) of the total number of Units that may be created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least three (3) non-developer Co-Owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that if more than fifty percent (50%) in number and value of the non-developer Co-Owners petition the Board of Directors for an election to select the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the Co-Owners and to aid in the transition of control of the Association from the Developer to purchaser Co-Owners. The Advisory Committee shall cease to exist automatically when the non-developer Co-Owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-Owners.

ARTICLE XIII

BOARD OF DIRECTORS

Section 13.1. Number and Qualifications of Directors. The Board of Directors shall be comprised of three (3) members, all of whom must be members of the Association or officers, partners, members, trustees, employees or agents of members of the Association, except for the first Board of Directors, which shall consist of one or more directors selected by Developer who need not to be officers, partners, members, trustees, employees or agents of members of the Association. Directors shall serve without compensation.

Section 13.2 Election of Directors.

(a)First Board of Directors. The first Board of Directors, which shall include any successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-developer Co-Owners to the Board. Elections for non-developer Co-Owner directors shall be held as provided in subsections (b) and (c) below.

(b)Appointment of Non-Developer Co-Owners to Board Prior to first Annual Meeting. No later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-Owners of twenty-five percent (25%) in number of the Units that may be created, at least one of the three (3) directors shall be selected by non-developer Co-Owners. When the required percentage of conveyances have been reached, the Developer shall notify the non-developer Co-Owners and request that they hold a meeting and elect the required Director or Directors, as the case may be. Upon certification by the Co-Owners to the Developer of the Director or Directors so elected the Developer shall then immediately appoint such Director or Directors to the Board to serve until the First Annual Meeting of members unless such Director is removed pursuant to Section 13.7 below or resigns or becomes incapacitated.

(c)Election of Directors At and After First Annual Meeting.

(1)Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-Owners of seventy-five percent (75%) in number of the Units that may be created, the non-developer Co-Owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least (1) Director as long as the Units that remain to be created and conveyed equal at least ten percent (10%) of all Units that may be created in the Project. Whenever the seventy-five percent (75%) conveyance level is achieved, a meeting of Co-Owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

(2)Regardless of the percentage of Units which have been conveyed, upon the expiration of fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Co-Owner of a Unit in the Project, the non-developer Co-Owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in Subsection 13.2(c)(1) above. Application of this subsection does not require a change in the size of the Board of Directors.

(3)If the calculation of the percentage of members of the Board of Directors that the non-developer Co-Owners have the right to elect under subsection 13.2(c)(2), or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-developer Co-Owners under subsection 13.2(b) results in a right of non-developer Co-Owners to elect a fractional number of members to the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-developer Co-Owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subparagraph shall not eliminate the right of the Developer to designate one Director as provided in subsection 13.2(c)(1).

(4)At the First Annual Meeting two Directors shall be elected for a term of two (2) years and one Director shall be elected for a term of one (1) year. At such meeting all nominees shall stand for election as one (1) slate and the two persons receiving the highest number of votes shall be elected for a term of two (2) years and the one person receiving the next highest number of votes shall be elected for a term of one (1) year. At each annual meeting held thereafter, either one or two Directors shall be elected depending upon the number of Directors whose term expires. After the First Annual Meeting, the term of office (except for one of the Directors elected at the First Annual Meeting) of each Director shall be two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

(5)Once the Co-Owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-Owners to elect directors and conduct other business shall be held in accordance with the provisions of Section 11.3 hereof.

Section 13.3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-Owners.

Section 13.4. Other Duties. In addition to the foregoing duties imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:

(a)To manage and administer the affairs of and to maintain the Condominium Project and the Common Elements thereof.

(b)To levy and collect assessments from the members of the Association and to use the proceeds thereof for the purpose of the Association.

(c)To carry insurance and collect and allocate the proceeds thereof.

(d)To rebuild improvements after casualty.

(e)To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the condominium Project.

(f)To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (Including any Unit of the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.

(g)To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of seventy-five percent (75%) of all of the members of the Association.

(h)To make rules and regulations in accordance with Section 6.9 of these Bylaws.

(i)To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board including, without limitation, an Architectural Control Committee to exercise the architectural control functions reserved or granted to the Association by these Bylaws and/or the Master Deed.

(j)To enforce the provisions of the Condominium Documents.

Section 13.5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 13.3 and 13.4 above, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor, or builder, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon 90-days written notice thereof to the other party, and no such contract shall violate the provisions of Section 55 of the Act.

Section 13.6. Vacancies. Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any Director whom he is permitted in the first instance to designate. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the members of the Association. Vacancies among non-developer Co-Owner elected Directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Co-Owners and shall be filled in the manner specified in Section 13.2(b) above.

Section 13.7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than fifty percent (50%) in number and in value of all of the Co-Owners, and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal thirty-five percent (35%) requirement set forth in Section 10.4 above. Any Director whose removal has been proposed by the Co-Owners shall be given an opportunity to be heard at a meeting. The Developer may remove and replace any or all of the directors selected by it at any time or from time to time in its sole discretion. Likewise, any Director selected by the non-developer Co-Owners to serve before the First Annual meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of directors generally.

Section 13.8. First Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be

necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 13.9. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by mail, telephone or telegraph, at least (1) days prior to the date named for such meeting.

Section 13.10. Special Meeting. Special meetings of the Board of Directors may be called by the president on three (3) days notice to each Director given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) Directors.

Section 13.11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be deemed a waiver of notice by such Director of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 13.12. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting the Board of Directors, less than a quorum is present, the majority of those present may adjourn the meeting to a subsequent time upon 24-hour prior written notice delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such Director for purposes of determining a quorum.

Section 13.13. First Board of Directors. The actions of the first Board of Directors of the Association or any successors thereto selected or elected before the Transition Control Date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium Documents.

Section 13.14. Fidelity Bonds. The Board of Directors shall require that all Officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE XIV

OFFICERS

Section 14.1. Officers. The principal Officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, a Secretary and a Treasurer. The Directors may appoint an Assistant Treasurer, an Assistant Secretary and such other Officers as in their judgment may be necessary. Any two offices except that of President and Vice President may be held by one person.

(a)President. The President shall be the chief executive Officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Directors and shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among members of the Association from time to time as he or she may in his or her discretion deem appropriate to assist in the conduct of the affairs of the Association.

(b)Vice President. The Vice President shall take the place of the president and perform his or her duties whenever the President shall be absent or unable to act. If neither the President or the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Directors

(c)Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association. He or she shall have charge of the corporate seal, if any, and of such books and papers as the Board of Directors may direct and shall, in general, perform all duties incident to the office of the Secretary.

(d)Treasurer. The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors.

Section 14.2. Election. The Officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 14.3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any Officer may be removed either with or without cause, and his or her successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The Officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

Section 14.4. Duties. The Officers shall have such other duties, powers and responsibilities as shall, from time to time be authorized by the Board of Directors.

ARTICLE XV

SEAL

The Association may (but need not) have a seal. If the Board determines that the Association shall have a seal, then it shall have inscribed thereon the name of the Association, the words “corporate seal” and “Michigan.”

ARTICLE XVI

FINANCE

Section 16.1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the common Elements and any other expenses incurred by or on behalf of the Association and the Co-Owners. Such accounts and all other Association records shall be open for inspection by the Co-Owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-Owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association’s fiscal year upon request therefore. The costs of any such audit and any accounting expenses shall be expenses of administration.

Section 16.2. Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 16.3. Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Directors and shall be withdrawn only upon check or order of such Officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

ARTICLE XVII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 17.1. To the full extent permitted by law, as the same exists or may hereafter be amended, no volunteer Director or volunteer officer of the Association (as those terms are defined in the Michigan Nonprofit Corporation Act, as amended) shall be personally liable to the Association or its members for monetary damages for breach of the Director’s or officer’s fiduciary duties. It is specifically acknowledged that prospective or current Directors or officers may be induced to undertake or continue to serve as Directors of the Association in reliance on the provision of this Article XVII, and the provisions hereof shall be a contract right. No repeal, amendment, alteration or modification of this Article XVII shall be effective as to any Director or officer for actions or failures

to act occurring prior to the date of such repeal, amendment, alteration or modification unless such Director shall consent in writing to the applicability thereof in the specific case.

Section 17.2. To the full extent permitted by law, as the same now exists or may hereafter be amended, the Association hereby assumes all liability of a volunteer Director, volunteer officer, or other volunteer for any acts or omissions arising out of their volunteer duties occurring on or after the date of adoption of these bylaws; provided that the volunteer was acting or reasonably believed that he was acting within the scope of his authority, that the volunteer was acting in good faith, that the volunteer's conduct did not amount to gross negligence or willful and wanton misconduct, that the volunteer's conduct was not an intentional tort, and that the volunteer's conduct was not a tort arising out of the ownership, maintenance or use of a motor vehicle for which tort liability may be imposed under MCL 500.3135.

Section 17.3. To the full extent permitted by law, as the same exists or may hereafter be amended, the Association shall indemnify every person who was or is a party, or is threatened to be made a party, to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, including actions by or in the right of the Association, by reason of the fact that such person is or was a Director, officer, Member, employee, non-director volunteer or agent of the Association against expenses, including attorneys' fees, judgments, penalties. Fines and amounts paid in settlement actually and reasonably incurred by such person in connection with the action, suit, or proceeding; provided, however, that, except as provided in Section 17.4 hereof, the Association shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Association. The right to indemnification conferred in this Article shall be a contract right, and subject to the limitations set forth above, shall include the right to be paid by the Association the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, the payment of such expenses incurred in advance of the final disposition of a proceeding, shall be made only upon the making of such determinations, and delivery to the Association of such undertakings and affirmations by or on behalf of the person seeking such payment, as required by applicable law, as the same exists or may hereafter be amended. At least ten (10) days prior to payment of indemnification, the Association shall notify all Co-Owners thereof.

Section 17.4. If a claim under Section 17.2 is not paid in full by the Association within ninety days after a written claim has been received by the Association, the claimant may at any time thereafter bring suit against the Association to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Association) that the claimant has not met the standards of conduct which make it permissible under applicable law for the Association to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Association. Neither the failure of the Association (including its Board of Directors, independent legal counsel, or its Members) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth by applicable law, nor an actual determination by the Association (including its Board of Directors, independent legal counsel, or its Members) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 17.5.The Association shall have the power, to the extent now or hereafter provided by law, to purchase and maintain insurance in such amounts as it shall deem appropriate on behalf of any person who is or was a Director, officer, Member, employee, non-director volunteer or agent of the capacity, or arising out of such person's status as such, whether or not the Association would have the power to indemnify the person against the liability covered by such insurance

ARTICLE XVII

AMENDMENTS

Section 18.1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors acting upon the vote of the majority of the Directors or may be proposed by one-third (1/3) or more of the Co-Owners by instrument in writing signed by them.

Section 18.2. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

Section 18.3. Voting. These Bylaws may be amended by the Co-Owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than sixty-six and two-thirds percent (66-2/3%) in number and in value of all Co-Owners, which must include the affirmative vote of the Developer during the Development and Sales Period. No consent of mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of not less than sixty-six and two-thirds percent (66-2/3%) of the mortgagees shall be required, with each mortgagee to have one vote for each first mortgage held. In no event may the provisions of Section 2.2(d) above, pertaining to the non-liability of Developer and Units owned by Developer for assessments to fund the assertion of claim against Developer, be modified, amended or deleted without the affirmative written approval of Developer.

Section 18.4. By Developer. Prior to the Transitional Control Date, these Bylaws may be amended by the Developer without the approval from any other person so long as any such amendment does not materially alter or change the right of a Co-Owner or mortgagee.

Section 18.5. When Effective. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Genesee County Register of Deeds.

Section 18.6. Binding. A copy of each amendment to the Bylaws shall be furnished to every member of the Association, after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XIX

COMPLIANCE

These Bylaws are adopted to comply with the requirements of the Act. The Association and all present or future Co-Owners, tenants, future tenants, or any other person acquiring an interest in or using the Project in any manner are subject to and shall comply with the Act as amended, and the mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry upon the Condominium Premises shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern.

ARTICLE XX

DEFINITIONS

All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

ARTICLE XXI

RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use or proposed action or any other matter or thing, may be assigned by him to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument of writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Nothing contained in this Article XXI shall be deemed to prohibit the Developer from making a partial assignment of his authority under the Condominium Documents or under law prior to the conclusion of the Development and Sales Period. In the event of such a partial assignment, the assignee or transferee shall exercise only such authority as is assigned thereby, and the Developer shall retain all authority under the Condominium Documents or under law that is not so assigned. Any rights and powers reserved or granted to the Developer or its successors concerning the right to approve and control the administration of the Condominium shall terminate, if not sooner assigned to the Association, at the conclusion of the Development and Sales Period as defined in Article III of the Master Deed; provided, that all the foregoing shall not, under any circumstances, be construed to apply to or cause the termination of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

ARTICLE XXII

JUDICIAL PROCEEDINGS AND CLAIMS

Actions on behalf of and against the Co-Owners collectively shall be brought in the name of the Association. Subject to the express limitations on actions in these Bylaws, the Association may assert, defend or settle claims on behalf of all Co-Owners in connection with the Common Elements of the Condominium. As provided in the Article of Incorporation of the Association, the commencement of any civil action (other than one to enforce these Bylaws or collect delinquent assessments) shall require the approval of sixty-six and two-thirds percent (66-2/3%) majority in number and in value of the Co-Owners, and shall be governed by the requirements of this Article XXII. The requirements of this Article XXII will ensure that the Co-Owners are fully informed regarding the prospects and likely costs of any civil action the Association proposes to engage in, as well as the ongoing status of civil actions actually filed by or against the Association. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid waste of the Co-Owners' and the Association's assets it litigation where reasonable and prudent alternatives to the litigation exist. Each Co-Owner shall have standing to sue to enforce the requirements of this Article XXII. The following procedures and requirements apply to the Association's commencement of any civil action other than an action to enforce these Bylaws or to collect delinquent assessments:

Section 22.1. Board of Directors' Recommendation to Co-Owners. The Association's Board of Directors shall be responsible in the first instance for recommending to the Co-Owners that a civil action be filed, and supervising and directing any civil actions that are filed.

Section 22.2 Litigation Evaluation Meeting. Before an attorney is engaged for purposes of filing a civil action on behalf of the Association, the Board of Directors shall call a special meeting of the Co-Owners ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. Written notice to the Co-Owners of the date, time and place of the litigation evaluation meeting shall be sent to all Co-Owners not less than twenty (20) days before the date of the meeting. At the litigation evaluation meeting the Board and the Association shall consider and discuss such factors as they may deem relevant including, without limitation, the following:

(a)Whether it is in the best interest of the Association to file a lawsuit.

(b)Whether any effort has been made to negotiate a settlement with the putative defendant(s) on behalf of the Association, without success.

(c)Whether arbitration or other alternative dispute resolution procedures have been investigated.

(d)The relevant experience of the attorney ("litigation attorney") the Board of Directors recommends be retained to represent the Association in the proposed civil action, including the number of years the litigation attorney has practiced law and the name and address of every condominium and homeowner association for which the attorney has filed a civil action in any court, together with the case number, country and court in which each civil action was filed.

(e) The litigation attorney's written estimate of the amount of the Association's likely recovery in the proposed lawsuit, net of legal fees, court costs, expert witness fees and all other expenses expected to be incurred in the litigation.

(f)The litigation attorney's written estimate of the cost of the civil action through a trial on the merits of the case ("total estimated cost"). The total estimated cost of the civil action shall include the litigation attorney's expected fees, court costs, expert witness fees, and all other expenses expected to be incurred in the civil action.

(g)The litigation attorney's proposed fee agreement.

(h)The amount to be specially assessed against each Unit in the Condominium to fund the estimated cost of the civil action both in total and on a monthly per Unit basis, as required by Section 22.5.

Section 22.3. Fee Agreement with Litigation Attorney. The Association shall have a written fee agreement with the litigation attorney, and any other attorney retained to handle the proposed civil action. The Association shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement unless the existence of the agreement is disclosed to the Co-Owners in the text of the Association's written notice to the Co-Owners of the litigation evaluating meeting.

Section 22.4. Co-Owner Vote Required. At the litigation evaluation meeting the Co-Owners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Association (other than a suit to enforce these Bylaws or collect delinquent assessments) shall require the approval of a sixty-six and two-thirds percent (66-2/3%) majority in number and in value of the Co-Owners. Any proxies to be voted at the litigation evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation meeting.

Section 22.5. Litigation Special Assessment. All legal fees incurred in pursuit of any civil action that is subject to Sections 22.1 through 22.9 shall be paid by special assessment of the Co-Owners ("litigation special assessment"). The litigation special assessment shall be approved at the litigation evaluation meeting or at any subsequent duly called and noticed meeting by a sixty-six and two-thirds percent (66-2/3%) majority in number and in value of all Co-Owners in the amount of the estimated total cost of the civil action. If the litigation attorney proposed by the Board of Directors is not retained, the litigation special assessment shall be in an amount equal to the estimated total cost of the civil action, as estimated by the attorney actually retained by the Association. The litigation special assessment shall be apportioned to the Co-Owners in accordance with their respective percentage of value interests in the Condominium and shall be collected from the Co-Owners on a monthly basis. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty-four (24) months.

Section 22.6. Attorney's Written Report. During the course of any civil action authorized by the Co-Owners pursuant to this Article and any action in which the Association is a defendant, the retained attorney shall submit a written report ("attorney's written report") to the Board of Directors every thirty (30) days setting forth:

(a)The attorney's fees, the fees of any experts retained by the attorney, and all other costs of the litigation during the thirty (30) day period immediately preceding the date of the attorney's written report ("reporting period").

(b)All actions taken in the civil action during the reporting period, together with copies of all pleadings, court papers and correspondence filed with the court or sent to opposing counsel during the reporting period.

(c)A detailed description of all discussions with opposing counsel during the reporting period, written and oral, including, but not limited to, settlement discussions.

(d)The costs incurred in the civil action through the data of the written report, as compared to the attorney's estimated total cost of the civil action.

(e)Whether the originally estimate total cost of the civil action remains accurate.

Section 22.7. Monthly Board Meetings. The Board of Directors shall meet monthly during the course of any civil action to discuss a review:

(a)The status of the litigation;

(b)The status of settlement efforts if any; and

(c)The attorney's written report.

Section 22.8. Changes in the Litigation Special Assessment. If, at any time during the course of a civil action, the Board of Directors determines that the originally estimated total cost of the civil action or any revision thereof is inaccurate, the Board of Directors shall immediately prepare a revised estimate of the total cost of the civil action. If the revised estimate exceeds the litigation special assessment previously approved by the Co-Owners, the Board of Directors shall call a special meeting of the Co-Owners to review the status of the litigation, and to allow the Co-Owners to vote on whether to continue the civil action and increase the litigation special assessment. The determination of to proceed with the litigation and to increase the litigation special assessment shall require the same affirmative vote of sixty-six and two-thirds percent (66-2/3%) majority in number and in value of all Co-Owners as required by Sections 22.4 and 22.5.

Section 22.9. Disclosure of Litigation Expenses. The attorneys' fees, court costs, expert witness fees and all other expenses of any civil action filed by the Association ("litigation expenses") shall be fully disclosed to Co-Owners in the Association's annual budget. The litigation expenses for each civil action filed by the Association shall be listed as a separate line item captioned "litigation expenses" in the Association's annual budget.

ARTICLE XXIII

SEVERABILITY

In the event that any of the terms, provisions or covenants of these Bylaws or the Condominium Documents are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any

manner whatsoever any of the other terms, provisions or covenants of such documents or the remaining portions of any terms, provisions or covenant held to be partially invalid or unenforceable.

MARKETING AGREEMENT

This MARKETING AGREEMENT ("Agreement") is entered into as of _____, 20__ ("**Effective Date**"), by and between the City of Swartz Creek, Michigan ("**City**"), and Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America ("**Company**"), herein collectively referred to singularly as "Party" and collectively as the "Parties".

RECITALS:

WHEREAS, sewer and water line laterals between the mainlines and the connection on residential private property are owned by individual residential property owners residing in the City ("**Property Owner**"); and

WHEREAS, City desires to offer Property Owners the opportunity, but not the obligation, to purchase a service plan and other similar products set forth in Exhibit A or as otherwise agreed in writing from time-to-time by the Parties (each, a "**Product**" and collectively, the "**Products**"); and

WHEREAS, Company, a subsidiary of HomeServe USA Corp., is the administrator of the National League of Cities Service Line Warranty Program and has agreed to make the Products available to Property Owners subject to the terms and conditions contained herein; and

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, the Parties agree as follows:

1. **Purpose.** City hereby grants to Company the right to offer and market the Products to Property Owners subject to the terms and conditions herein.

2. **City Obligations.**

A. Grant of License. City hereby grants to Company a non-exclusive license ("**License**") to use City's name and logo or other branding ("**Marks**"), on letters, bills and marketing materials to be sent to Property Owners from time to time, and to be used in advertising (including on the Company's website), all at Company's sole cost and expense and subject to City's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld. Company's use of the Marks in accordance with this Agreement will not infringe any other party's rights. City agrees that it will not extend a similar license to any competitor of Company during the Term (as defined in Section 3 below).

B. Property Owner Data. Any name, service address, postal address, and any other appropriate or necessary data for Property Owners in City is defined as "**Property Owner Data**". City may

provide Company with Property Owner Data for use by Company in furtherance of the advertisement, marketing, and sale of the Products. Property Owners Data shall be and remain City's property. For any Property Owner Data provided by City to Company, City warrants that Property Owner Data has been and will be collected in compliance with all laws, statutes, treaties, rules, codes, ordinances, regulations, permits, official guidelines, judgments, orders and interpretations ("**Applicable Laws**"); and City is permitted by Applicable Laws and by any applicable privacy policy to provide Property Owner Data to Company and to permit Company to use Property Owner Data for the purposes of this Agreement. A Property Owner who has purchased a Product is a member ("**Member**") and, following such purchase, all data in Company's control or possession relating to Members is Company's property.

3. **Term.** The term of this Agreement ("**Initial Term**") shall be for three (3) years from the Effective Date. The Agreement will automatically renew for additional one (1) year terms (each a "**Renewal Term**", and collectively with the Initial Term, the "**Term**") unless one of the Parties gives the other written notice at least ninety (90) days prior to end of the Initial Term or of a Renewal Term that the Party does not intend to renew this Agreement. In the event that Company is in material breach of this Agreement, the City may terminate this Agreement thirty (30) days after giving written notice to Company of such breach, if said breach is not cured during said thirty (30) day period. Company will be permitted to complete any marketing initiative initiated or planned prior to termination of this Agreement after which time, neither Party will have any further obligations to the other and this Agreement will terminate.

4. **Confidentiality.** Each party will treat all non-public, confidential and trade secret information received from the other party as confidential, and such party shall not disclose or use such information in a manner contrary to the purposes of this Agreement. For the avoidance of doubt, this Agreement shall be deemed confidential and the City shall notify Company should this Agreement be subject to disclosure due to any public records laws.

5. **Code Change.** The Parties understand that the pricing of the Products and compensation provided for in this Agreement are based upon the currently applicable City, municipal or similar codes. In the event Company discovers a code change, Company shall have the ability to reassess the pricing in this Agreement.

6. **Indemnification.** Each Party (the "**Indemnifying Party**") hereby agrees to protect, indemnify, and hold the other Party, its officers, employees, contractors, subcontractors, and agents (collectively or individually, "**Indemnitee**") harmless from and against any and all third party claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, reasonable attorneys' fees and court costs (individually or collectively, "**Claim**"), which an Indemnitee may suffer or which may be sought against or are recovered or obtainable from an Indemnitee, as a result of or arising out of any breach of this Agreement by the Indemnifying Party, or any negligent or fraudulent act or omission of the Indemnifying Party or its officers, employees, contractors, subcontractors, or agents in the performance of this Agreement; provided that the applicable Indemnitee notifies the Indemnifying Party of any such Claim within a time that does not prejudice the ability of the Indemnifying Party to defend against such Claim. Any

Indemnitee hereunder may participate in its, his, or her own defense, but will be responsible for all costs incurred, including reasonable attorneys' fees, in connection with such participation in such defense.

7. **Notice.** Any notice required to be given hereunder shall be deemed to have been given when notice is (i) received by the Party to whom it is directed by personal service, (ii) sent by electronic mail (provided confirmation of receipt is provided by the receiving Party), or (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

To: City:
ATTN: Adam Zettel
City of Swartz Creek
8083 Civic Dr
Swartz Creek, MI 48473
Email: azettel@cityofswartzcreek.org
Phone: (810) 635-4464

To: Company:
ATTN: Chief Sales Officer
Utility Service Partners Private Label, Inc.
4000 Town Center Boulevard, Suite 400
Canonsburg, PA 15317
Phone: (866) 974-4801

8. **Modifications or Amendments/Entire Agreement.** Except for the list of available Products under the Agreement, which may be amended from time to time by the Parties in writing and without signature (including by email), any and all of the representations and obligations of the Parties are contained herein, and no modification, waiver or amendment of this Agreement or of any of its conditions or provisions shall be binding upon a Party unless in writing signed by that Party.

9. **Assignment.** Neither Party may assign its rights or delegate its duties under this Agreement without the prior written consent of the other Party unless such assignment or delegation is to an affiliate or to an acquirer of all or substantially all of the assets of the transferor.

10. **Counterparts/Electronic Delivery; No Third Party Beneficiary.** This Agreement may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any Party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by e-mail and upon receipt will be deemed originals and binding upon the Parties hereto, regardless of whether originals are delivered thereafter. Nothing expressed or implied in this Agreement is intended, or should be construed, to confer upon or give any person or entity not a party to this agreement any third-party beneficiary rights, interests, or remedies under or by reason of any term, provision,

condition, undertaking, warranty, representation, or agreement contained in this Agreement.

11. **Choice of Law/Attorney Fees.** The Parties shall maintain compliance with all Applicable Laws with respect to its obligations under this Agreement. The governing law shall be the laws of the State of Michigan, without regard to the choice of law principles of the forum state. THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT THAT MAY EXIST TO HAVE A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED UPON OR ARISING OUT OF, UNDER, OR IN ANY WAY CONNECTED WITH, THIS AGREEMENT.

12. **Incorporation of Recitals and Exhibits.** The above Recitals and Exhibit A attached hereto are incorporated by this reference and expressly made part of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first written above.

CITY OF SWARTZ CREEK

_____

Name:

Title:

UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.

_____

Name: Michael Backus

Title: Chief Sales Officer

Exhibit A

NLC Service Line Warranty Program
City of Swartz Creek
Term Sheet
July 3, 2019

I. Initial Term. Three years

II. License Conditions.

City logo and name on letterhead, advertising, signature line, billing and marketing materials.

III. Products.

a. External water service line plan (initially, $5.99 per month)
b. External sewer/septic line plan (initially, $7.99 per month)
c. Interior plumbing and drainage plan (initially, $9.49 per month)

Company may adjust the foregoing Product fees; provided, that any such adjustment shall not exceed $.50 per month in any 12-month period, unless otherwise agreed by the Parties in writing.

IV. Scope of Coverage.

a. External water service line plan:
- Property Owner responsibility: From the meter and/or curb box to the external wall of the home.
- Covers thawing of frozen external water lines.
- Covers well service lines if applicable.

b. External sewer/septic line plan:
- Property Owner responsibility: From the exit point of the home to the main.
- Covers septic lines if applicable.

c. Interior plumbing and drainage plan:
- Water supply pipes and drainage pipes within the interior of the home.

V. Marketing Campaigns. Company shall have the right to conduct up to three campaigns per year, comprised of up to six mailings and such other channels as may be mutually agreed. Initially, Company anticipates offering the Interior plumbing and drainage plan Product via in-bound channels only.

CITY LOGO

PRSRT STD
U.S. POSTAGE
PAID
MAILED FROM
ZIP CODE XXXXX
PERMIT NO. XXX

CITY LOGO

An important message from <<the City of City>>

It's important to protect your finances from the unexpected expense and inconvenience of emergency repairs.

That's why <<the City of City>> has selected Service Line Warranties of America (SLWA)—a premier provider of home emergency repair programs to homeowners nationwide—to offer <<Product_Name>> to <<city>> homeowners.

Many homeowners are not aware that they are responsible for certain systems; for example, many Americans don't know that they are responsible to pay for repairs to water service and sewer/septic lines on private property. Many homeowners are not prepared to handle the high costs of unexpected water service or sewer/septic line breakdowns. Plans from SLWA give homeowners financial relief from the cost of covered repairs due to breakdowns of major systems inside and outside their homes. An optional plan from SLWA can help protect <<City>> homeowners from potentially expensive repair costs.

The enclosed information is provided to help you understand how a plan from SLWA—an independent company—can help protect you and your finances, and decide whether it's right for you.

Call SLWA toll-free at 1-844-257-8795 for more information, to sign up for coverage, or to opt out of any future SLWA mailings. Please visit www.slwofa.com for frequently asked questions and links to additional information.

<<The City of City>>

X4411

CITY LOGO

Important Information for <<City Name>> Homeowners

<<MR. SAMPLE A SAMPLE>>
<<MAIL_ADDRESS1>>
<<MAIL_ADDRESS2>>
<<MAIL_CITY, ST ZIP>>

XXX

Please reply by:
<<Month X, XXXX>>

Dear <<Mr. Sample>>,

This letter contains important information about your responsibilities as a homeowner in the event of an emergency with your water service or sewer/septic line.

The exterior water service and sewer/septic lines, which run from your utility's point of maintenance to your home, are your responsibility. If you were unfortunate enough to suffer a leak, break or clog in these lines, it would be up to you to find a plumber and get the lines repaired.

<<The City of City>> has partnered with Service Line Warranties of America (SLWA) to help eligible homeowners be prepared and have the best possible service in the case of such an emergency. So you're invited to enroll in <<Product_Name>> and <<Product_Name>> from SLWA. Accept this *optional* coverage and you'll receive as many service calls as you need up to $X,XXX per call for covered water service or well line repairs, and as many service calls as you need up to $X,XXX per call for covered sewer/septic line repairs (30-day wait with a money-back guarantee for both) and no deductible. You will also have access to a 24/7, 365-day-a-year emergency repair service hotline. Once you have made your service call, SLWA will take care of your covered repair, dispatching a qualified plumber to your home and paying the bill directly. Peace of mind starting for as little as $X.XX per month. Your emergency is dealt with and your water service or sewer/septic line is back to normal.

In the event of an emergency, these plans can save you a significant amount of money—a service line replacement may cost you thousands of dollars. They can also save you the time of finding a plumber, which can be difficult in the best of times, let alone in an emergency. Having these plans also helps eliminate worry, as you can be sure of a professional job completed by local, licensed and insured plumbers. These are the only service line protection programs for homeowners fully supported by <<City Name>>.

Please take the time to read the information on the back of this letter. If you would like to sign up for a plan, simply complete and return the enclosed form or call toll-free 1-XXX-XXX-XXXX. We certainly hope that you never have an exterior water service or sewer/septic line emergency, but if you should ever have a problem, you'll be glad you're covered. These programs are managed by SLWA, and no public funds were used for the mailing of this letter.

For fastest processing, please visit www.slwofa.com.

Sincerely,

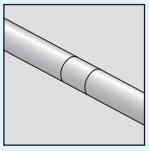
<<The City of City>>

<<Utility Service Partners Private Label, Inc., known as Service Line Warranties of America ("SLWA"), with corporate offices located at 11 Grandview Circle, Suite 100, Canonsburg, PA 15317, is an *independent company separate from <<the City of City>>* and offers this optional service plan as an authorized representative of the service contract provider, North American Warranty, Inc., 175 West Jackson Blvd., Chicago, IL 60604. Your choice of whether to participate in this service plan will not affect the price, availability or terms of service you have with your local utility or municipality.>>

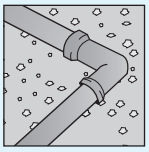
Mailcode RX4262_Choice_Blue_Pack RX

What would you do in an exterior line emergency?

The illustration shows where things may go wrong with your exterior lines and how much a licensed and insured plumber would typically charge customers who don't have coverage. How would you cope if it happened to you? With coverage, it's not something to worry about; you'll have no bill to pay for covered repairs up to the benefit amount.

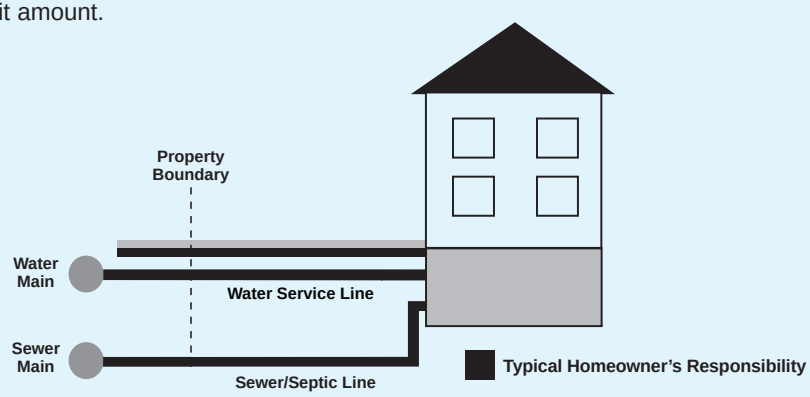


Replace water service line (26–100 ft.)
$2,585
Plan Members:
No Charge‡



Replace sewer/septic line (26–75 ft.)
$3,389
Plan Members:
No Charge‡

‡National average repair costs within the SLWA network as of March 2018. No charge for covered repairs up to the benefit amount.



The water and sewer/septic lines beyond the property boundary may be an additional responsibility of the homeowner and are included in this coverage. Septic tanks, leaching fields, pumps or grinders are not covered.

Take A Look At The Benefits You'll Receive	Exterior Water Service Line Coverage	Exterior Sewer/Septic Line Coverage
1. **Covered Repairs** – Guaranteed for one full year.	✓	✓
2. **24-Hour Emergency Repair Service Hotline** – Open 24 hours a day, 365 days a year.	✓	✓
3. **Our Promise to You** – If you are ever dissatisfied with your coverage, simply call SLWA toll-free at 1-844-257-8795, and it will be discontinued at your request.	✓	✓

Visit www.slwofa.com to protect your exterior lines
Or call toll-free 1-844-257-8795 | Available: MON-FRI 8AM-8PM | SAT 10AM-4PM EST

Important Questions & Answers

What am I responsible for?
As a homeowner, you are responsible for your exterior water service line and exterior sewer/septic line. If the service lines beyond the property boundary to the main connections are also the responsibility of the homeowner, then they will be covered up to the benefit amount.

Does my homeowners insurance cover this?
Most basic homeowners insurance policies do not cover repair or replacement due to normal wear and tear of these lines.

Does this coverage include well lines?
Yes, coverage provides for repair or replacement of either water service or well lines, as explained in the "What should I know about this coverage" section.

Who is eligible for coverage?
An owner of both a residential home permanently secured to the ground and the land it is located on may be eligible for coverage. Recreational vehicles or homes on wheels and properties used for commercial purposes are not eligible for coverage. In GA, residential properties containing more than two dwelling units are not eligible. In IA, residential properties containing more than four dwelling units are not eligible. Your property is not eligible if you are aware of any pre-existing conditions, defects or deficiencies with your exterior water service or sewer/septic lines. If you live in a development community with a condominium, co-op or homeowners association, your exterior water service line or exterior sewer/septic line may not be an individual homeowner's responsibility, so please check with your association before accepting this coverage. If you live in a multi-family structure and do not own the entire structure, it will be your responsibility to provide Service Line Warranties of America (SLWA) with a signed release from all other homeowners for any work which may affect their portion of the structure.

What should I know about this coverage?
Coverage is for the following exterior lines, for which you have sole responsibility, that are damaged due to normal wear and tear, not accident or negligence. *Exterior Water Service Line Coverage:* Coverage provides, up to the benefit amount, for the covered cost to repair or replace a leaking, frozen, low pressure, or permanently blocked exterior water service line from your utility's responsibility or external wall of your well casing to the external wall of your home. *Exterior Sewer/Septic Line Coverage:* Coverage provides, up to the benefit amount, for the covered cost to repair or replace a leaking or permanently blocked sewer line that takes wastewater away from the exit point within your home up to your utility's responsibility, or septic line that takes wastewater away from the exit point within your home up to the point of connection to the septic tank on your property.
Not covered: Damage from accidents, negligence or otherwise caused by you, others or unusual circumstances and the product-specific exclusions below. *Exterior Water Service Line Not Covered:* Repair to any water line that branches off the main water service line, and any shared water line that provides service to multiple properties or secondary buildings. Additional exclusions apply. *Exterior Sewer/Septic Line Not Covered:* Septic tanks; leach fields; grinder pumps; lift stations, or any non-conforming drain line, such as a basement or storm drain; repairs to any line that branches off the main line; and lines that provide service to multiple properties or secondary buildings. Additional exclusions apply. You agree to resolve disputes related to this plan by arbitration or in small claims court, without resort to class action or jury trial. To see full Terms and Conditions with complete coverage and exclusion details prior to enrolling call 1-844-257-8795 or go to www.slwaterms.com.

When can I make a service call?
Your plan(s) start the day your form is processed, and there is an initial 30-day waiting period before you can make a service call, giving you 11 months of coverage during the first year. Upon renewal/reactivation (if applicable), you will not be subject to a waiting period.

What is the cancellation policy?
You may cancel either plan within 30 days of your start date for a full refund of the cancelled plan(s) (less any claims paid, where applicable). Cancellations after the first 30 days will be effective at the end of the then-current billing month, and you will be entitled to a prorata refund of the cancelled plan(s) less any claims paid (where applicable). You may also contact SLWA to cancel if you find your utility or municipality provides similar coverage to you at no charge, and you will receive a refund less any claims paid (where applicable).

What is the term of my service agreement?
The plan is annual. For E-Z Pay/Direct Pay, credit card or debit card customers, unless you cancel, your plan automatically renews annually at the then-current renewal price with your same payment terms.

What is E-Z Pay/Direct Pay?
E-Z Pay/Direct Pay is a paperless and stress-free way to pay for your coverage. Payments are automatically debited from the bank/checking account of your choice as your payment becomes due, at no additional cost.

What quality of repair can I expect?
Local, licensed and insured plumbers perform covered repairs, which are guaranteed against defects in materials and workmanship for one year.

Who is SLWA?
SLWA is an independent company, separate from your city, local utility or municipality, providing emergency home repair services and protection solutions to homeowners across the U.S. If you would prefer not to receive solicitations from SLWA, please call 1-844-257-8795.

RX4262_Choice_Blue_Pack

Acceptance Form

Please confirm your name and address below and make any changes if necessary.

<<Sample A. Sample_xxxxx>>
<<Serv_Address1_xxxxxxx>>
<<Serv_Address2_xxxxxxx>>
<<Serv_City_xx, ST Zip>>

Service Line Warranties of America

By providing my e-mail address, I request that I be notified when my current and future service agreements and any related documents are available at, and I acknowledge that I can access these documents. I can change my preferences or request paper copies online or by calling SLWA.

E-mail Address _____ **Phone #** ☐☐☐ ☐☐☐ ☐☐☐☐

Choose Your Protection Plan(s)

For fastest processing, please visit www.slwofa.com.

BEST VALUE

<<Product Name>> and <<Product Name>> <<Mailcode-xxxx>> <<Mailcode-xxxx>>	**FIRST-YEAR SAVINGS OF XX% OFF** when you select both plans	
	☐ ~~$XX.XX~~ $XX.XX	☐ ~~$XXX.XX~~ $XXX.XX

	MONTHLY	**YEARLY**
<<Product Name>> <<Mailcode-xxxx>>	☐ $X.XX	☐ $XX.XX
<<Product Name>> <<Mailcode-xxxx>>	☐ $X.XX	☐ $XXX.XX

Yes, please sign me up for the protection plan(s) from SLWC I have selected above. By signing below, I agree to the terms on the reverse side of the letter, of the letter, understand there are limitations and exclusions, and meet the eligibility requirements for this coverage. SLWC will invoice me based on my selection above and I will select a payment method on the invoice. I understand this optional coverage is based on an annual contract and will *automatically renew annually* on the same payment terms I selected at the then-current renewal price. I can always cancel at any time.

_____

Signature (required)

Mailcode

RX4262_Choice_Blue_Pack

STREETLIGHT CONVERSION

Safe, Affordable, Sustainable

Consumers Energy's number one priority is the safety of our employees, customers and local communities in Michigan. Ensuring the safety of our hometown neighborhoods by having adequate working streetlights is important to that goal. That's why we work closely with various local units of government to maintain nearly 160,000 streetlights.

Currently, the streetlighting system provides for various types of lights, with LEDs lasting longer and using less energy than the rest.

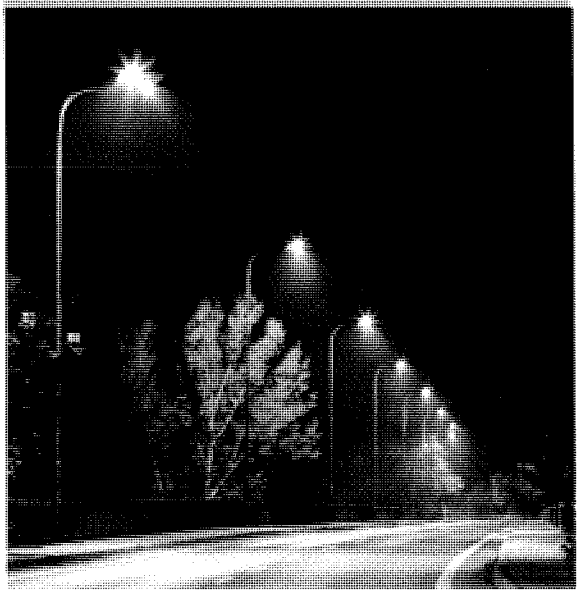
For this reason, beginning in fall 2018, we started replacing Consumers Energy owned cobrahead streetlights with LEDs for the 20,000 streetlight outage/replacement requests we receive each year. The effort also helps avoid labor, travel and equipment costs and keep electric rates affordable.

Long-term, we will continue focusing on Michigan's environment and providing a cost efficient and effective streetlight conversion by working with communities on streetlight plans that include various cost options.

Embracing a Cleaner Michigan

As Michigan's largest energy provider, Consumers Energy is embracing a cleaner, leaner future focused primarily on reducing energy use and adding more renewable energy sources.

We are working with communities to enhance security and safety using new LED streetlights while improving the environment we all cherish.



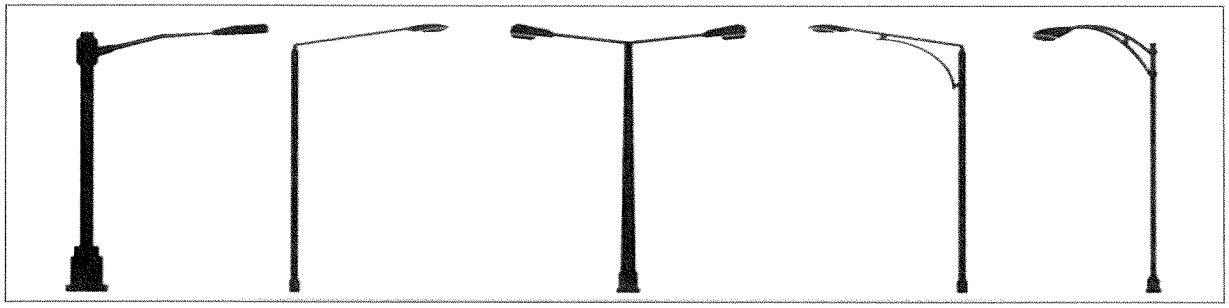
Report a streetlight outage at
ConsumersEnergy.com/streetlightoutage

Consumers Energy

Count on Us®

COMMUNITY STREETLIGHT FAQs

Replacement of burned out cobrahead streetlights to LED



Examples of cobrahead streetlights.

When will Consumers Energy begin replacing burned out cobrahead streetlights with LED streetlights? We began this project in Fall 2018 and anticipate it will take 10 years for statewide completion.

What if I want to convert my streetlights to LED right now? We are replacing company-owned, burned out cobrahead streetlights with LEDs at no additional cost to the community. If you would like to speed up the conversion in your community, there is an incremental cost.

How will my bill be affected when my burned out light is upgraded to LED? In early stages of the conversion, contracts and billing will be updated annually. Your accounts will be credited for any paid overages, with interest.

How will the new LED streetlights be noted on my bill? There will be a separate invoice created at the General Service Unmetered Experimental Lighting Rate **(GU-XL - LED streetlight)** for the LED streetlights. The replaced streetlights will be deducted from the General Service Unmetered Lighting **(GUL - non-LED streetlight)** account and added to GU-XL account as converted.

Does my existing contract with Consumers Energy cover this work? If your community does not currently have a GU-XL account, there will be a separate contract created for the GU-XL account for the LED streetlights. The current contract for the GUL account will be amended to reflect the removal of non-LED streetlights as they are converted. Any existing GU-XL accounts will be amended to reflect the addition of LED streetlights.

Can I opt out of having burned out streetlights upgraded to LED? Replacing streetlights with LED bulbs reduces future visits to replace less efficient bulbs, keeping electric rates low. The program also contributes to a federal requirement to replace mercury vapor bulbs, which are no longer being manufactured. Therefore, it is not our plan to allow customers to opt out.

Will Consumers Energy replace our post top or decorative fixture with LED? No. This program is for cobrahead fixtures only. If the community would like to accelerate the conversion of their post top fixtures to LED, there is an incremental cost. To request an estimate, please call 800-805-0490.

QUESTIONS? Contact our Business Center at 800-805-0490, Monday-Friday. 7 a.m.-5:30 p.m.

Possible Changes to Your Bill/Contract: You may see a change in your monthly bill based on the number of streetlights replaced.

Consumers Energy
Count on Us®

Jan 2019 177258