WHITE LAKE TOWNSHIP ZONING BOARD OF APPEALS

REPORT OF THE COMMUNITY DEVELOPMENT DEPARTMENT

TO:

Zoning Board of Appeals

FROM:

Sean O'Neil, Community Development Director

DATE:

August 18, 2025

Agenda item:

8A

Appeal Date:

August 28, 2025

Applicant:

Edward Wenz

Address:

8756 Trenton Drive

White Lake, MI 48386

Location:

10918 Hillway Street

White Lake, MI 48486

Zoning:

R1-D Single Family Residential

Property Description

The approximately 0.36-acre (15,660 square-foot) parcel identified as Parcel Number 12-34-351-015 is located within the Oak Ridge Park subdivision and is zoned R1-D (Single Family Residential). The property currently has a duplex residence with a detached two-car garage located on it. Additionally, the property is currently served by a private well and septic but will be connected to the sanitary sewer system if the proposed addition is constructed. This lot has a width of 57 feet along its Hillway Street frontage.

Applicant's Proposal

The Applicant is proposing to add a second story addition to the existing residential structure and convert it from a duplex to a single-family residence. The second story addition would cover the entire first floor of the existing structure and will include a new deck on the north side of the house. The addition would not increase the setback deficiencies. The applicant is planning to install new siding, trim, and a roof to the existing garage, which will not require a variance. The applicant describes that he is seeking variances for his proposed plan because, while he is maintaining the existing setbacks, he is limited in his ability to add onto the house due to the narrow lot (platted in 1956) and the unique lot shape.

Planner's Report

The existing lot is legally nonconforming, as is the current duplex structure in both use and setbacks. Per Section 3.1.6 of the Zoning Ordinance, the minimum lot width in the R1-D zoning district is 80 feet. In this case, the lot width is deficient by 23 feet. Section 3.1.6 also calls for 10 foot side yard setbacks, and the proposal is deficient on both the east and west sides, resulting in setbacks of 6.0 feet and 5.4 feet respectively. Finally, Section 7.23 of the ordinance requires that a variance be obtained for enlarging an existing nonconforming structure, which is the current request. It should be noted that the existing deck on the lakefront (rear) side of the house will be removed and replaced with a deck that is further from the side lot lines than the house will be. It should also be noted that the vacant lot immediately east of this property is a lake access lot that cannot be built on. Staff also cites the elimination of non-conforming use, via the conversion of this structure from a duplex to a single-family home, as a positive benefit arising from the approval of this request.

The requested variances are listed in the following table:

Variance #	Ordinance Section	Subject	Standard	Requested Variance
1	Section 3.1.6	Minimum Side Yard Setback (East)	10 feet	4.0 feet
2	Section 3.1.6	Minimum Side Yard Setback (West)	10 feet	4.6 feet
3	Section 3.1.6	Minimum Lot Width	80 feet	23 feet
4	Section 7.23	Nonconforming Structures	Cannot be enlarged	Addition of a second story on the existing structure as well as a covered porch.

Zoning Board of Appeals Options:

Approval: I move to approve the variances requested by Edward Wenz from Section 3.1.6 and 7.23 of the Zoning Ordinance for Parcel Number 12-34-351-015 identified as 10918 Hillway Street, in order to build a second story addition onto the existing structure. Variances from Section 3.1.6 are granted to allow for construction on a lot that is 23 feet less than the minimum lot width required in the R1-D zoning district, and for both east and west side yard setbacks which will result in variances of 4.0 feet and 4.6 feet respectively. Finally, a variance from Section 7.23 is also granted to allow for the enlargement of a nonconforming structure. This approval has the following conditions:

- 1. The Applicant shall obtain all necessary permits from the White Lake Township Building Division and Department of Public Services, as well as the Oakland County Health Division.
- 2. No mechanical units, including an HVAC system or generator, shall be placed in the front yards or closer than five (5) feet to any side yard lot line or rear lot line.
- 3. Per Section 5.3, all portions of the proposed structure (including the roof/soffits/gutters) shall be setback a minimum of five (5) feet from the property lines.
- 4. This structure must be converted to a single-family residence.

Denial: I move to deny the variances requested by Edward Wenz for Parcel Number 12-34-351-015, identified as 10918 Hillway Street due to the following reason(s):

Postpone: I move to postpone the appeal of Edward Wenz to a date certain or other triggering mechanism for Parcel Number 12-34-351-015, identified as 10918 Hillway Street, to consider comments stated during this public hearing.

Attachments:

- 1. Variance application dated June 19, 2025.
- 2. Applicant's explanatory letter.
- 3. Survey showing proposed plan dated May 12, 2025.
- 4. Letter of denial from the Building Official dated August 7, 2025.
- 5. Floor plans and elevations of the proposed additions.
- 6. Warranty Deed proving ownership.

7.37 STANDARDS

General variances: The Zoning Board of Appeals may authorize a variance from the strict application of the area or dimensional standard of this Ordinance when the applicant demonstrates <u>all</u> of the following conditions "A – E" or condition F applies.

- A. Practical difficulty: A practical difficulty exists on the subject site (such as exceptional narrowness, shallowness, shape or area; presence of floodplain; exceptional topographic conditions) and strict compliance with the zoning ordinance standards would unreasonably prevent the owner from using of the subject site for a permitted use or would render conformity unnecessarily burdensome. Demonstration of a practical difficulty shall have a bearing on the subject site or use of the subject site, and not to the applicant personally. Economic hardship or optimum profit potential are not considerations for practical difficulty.
- B. Unique situation: The demonstrated practical difficult results from exceptional or extraordinary circumstances or conditions applying to the subject site at the time the Ordinance was adopted or amended which are different than typical properties in the same zoning district or the vicinity.

- C. Not self created: The applicants problem is not self created.
- D. Substantial justice: The variance would provide substantial justice by granting the property rights similar to those enjoyed by the majority of other properties in the vicinity, and other properties in the same zoning district. The decision shall not bestow upon the property special development rights not enjoyed by other properties in the same district, or which might result in substantial adverse impacts on properties in the vicinity (such as the supply of light and air, significant increases in traffic, increased odors, an increase in the danger of fire, or other activities which may endanger the public safety. comfort, morals or welfare).
- E. Minimum variance necessary: The variance shall be the minimum necessary to grant relief created by the practical difficulty.
- F. Compliance with other laws: The variance is the minimum necessary to comply with state or federal laws. including but not necessarily limited to:
 - The Michigan Right to Farm Act (P.A. 93 of 1981) and the farming activities the Act protects;
 - ii. The Americans with Disabilities Act of 1990 (as amended), and the needs of handicapped individuals the Act protects, including accessory facilities, building additions, building alterations, and site improvements which may not otherwise meet a strict application of the standards of this Ordinance.

Under no circumstances shall the Board of Appeals grant a variance to allow a use not permissible under the terms of this Ordinance in the district involved, or any use expressly or by implication prohibited by the terms of this Ordinance in said district.

WHITE LAKE TOWNSHIP



ZONING BOARD OF APPEALS APPLICATION

APPLICANT INFORMATION NAME: Edward & Dana Wenz ADDRESS: 8756 Trenton Dr - White Lake, MI 48386 EMAIL: wenz_ed@yahoo.com INTEREST IN PROPERTY: PROPERTY OWNER	PHONE: 586-291-1616 □ BUILDER □ OTHER:
PROPERTY INFORMATION ADDRESS: 10918 Hillway St VALUE OF IMPROVEMENT: \$ 300,000.00 S	ZONING: Residential EV OF EXISTING STRUCTURE: \$ \$ 176,910.00
REASONS TO SUPPORT REQUEST (ADDITIONAL S	
Please see attached letter for supporting information.	SHEETS MAY BE ATTACHED):

Edward G. Wenz, Jr.

8756 Trenton Drive White Lake, MI 48386 P: 586-291-1616 F: 248-694-2001 E: wenz_ed@yahoo.com

June 19, 2025

White Lake Township Zoning Board of Appeals 7525 Highland Rd White Lake Twp, MI 48383

To Zoning Board Members:

Re: Variance for 10918 Hillway Dr. Parcel ID# 12-34-351-015

My name is Edward Wenz, Jr and I live at 8756 Trenton Dr – White Lake with my wife Dana and our 2 children Trever and Morgan. We have lived at our home for 28 years now on Trenton Dr. Dana & I got the opportunity to purchase this home at 10918 Hillway (lot# 16) on Sugden Lake. We are the owners of the said property and have attached copies of documents showing the ownership we have but the property is deeded into one of our Limited Liability Companies (LLCs) for liability and tax purposes.

We have attached a copy of the proposed renovation designs to the home that we wish to do as a full renovation of the property as required for this appeal.

We have attached a copy of the certified property survey of the existing home as required for this application.

We have attached a copy of the White Lake Twp Building Dept denial letter after their review and denial as required for this appeal.

We have paid the required fee of \$440.00 for this Zoning Board of Appeals request to the Planning Dept of White Lake Twp.

This letter is an explanation of the reasons to support our request for this variance of Article 7 of the White lake Township Clear Zoning Ordinance.

The issues brought to us by the Bldg Dept. from plan review are the following:

- Article 3.1.6 of the White lake Township Clear Zoning Ordinance for R1-D requires: Minimum side yard set back of 10 feet one side and a 20 feet total of two sides, and a minimum lot width 80 feet.
- Article 5.3 of the White lake Township Clear Zoning Ordinance states: in no event will the projection be closer than five (5) feet to the lot line.
- Article 7.23(A) of the White lake Township Clear Zoning Ordinance: No such nonconforming structure may be enlarged or altered in a way which increases its non-conformity.

I hope to provide explanation and rationale for support of our renovation of the home at 10918 Hillway Dr. and approve our zoning variance request.

The proposed renovations of the home will continue to use the same existing footprint of the existing home, with the existing foundation, and all exterior walls. No exterior walls will be moved or modified for this renovation. The home is currently a 2-family duplex that has been a rental home since the property was built. The home currently has 2 bedrooms in each rental and 1 bathroom & kitchen in each rental. Our plan is to bring this home back into line with the use of other surrounding homes in the subdivision by making it into a single-family home. We feel a single-family home would be better value for the community than the current use as a rental. We have been made aware of the rental being a bit of an eyesore and the tenants being guite a problem for many years now. We hope to turn a page and make a beautiful home for a new or existing White Lake family. We are looking to add an addition to the home by going up to build on a 2nd story. The home is currently not meeting the zoning requirements and is non-conforming, but this would be most of all the homes on Sugden Lake and many lakes throughout the White Lake. It seems every developer & property owner had an idea to squeeze as many houses as possible around the lake by making the lots of various odd shapes. Our lot# 16 at 10918 Hillway is not unlike all the lots on the Sugden Lake with an odd shape. The lots west of our lot # 16 have very similar odd pie shapes lots and have done additions and large renovations in the past. And east of our lot many homes have hard large renovations & additions done with similar lot setback issues as I can imagine.

The proposed home renovation would be extensive and add a lot of value to the area and continue to bring up property values and tax base within White Lake.

Our renovation will maintain the existing footprint and same design with overhang soffits that exist will be kept around the perimeter and continue by adding soffit on the street side of the home. We are not looking to make it any more non-conforming by keeping the same shape / design it has currently, but to add a 2nd level. The rationale for keeping the existing overhang soffit look is to break up the house to give the home dimension and keep features to help the 2nd floor addition not seem like a skinny shoe box addition. The 2nd floor will be similar in height to our neighbors on each side and down the road both ways.

Keeping the existing foundations and 1st floor walls, exterior brick, and overhang soffits keep us at the same look and setbacks that are existing without becoming more non-confirming. The 2nd floor would have overhangs matching the 1st floor so to be symmetrical and give the house matching architecture and flow of design. The current setbacks vary because the shape of the lot looks like a pie shape. We are 57.08' at the road and 25.5' at the water's edge. The same overhang on the left side (Side B) of the home will be left for an overhang covering the two (2) side doors that are existing and these 2 side doors will be maintained with this new design. There is an existing deck on the home on the water side (Side C). This will be removed, and a new 2nd story walk out deck built to the similar size of the existing 1st floor wood deck, but move in to make it more conforming. The 1st floor patio will be stamped concrete patio exiting the home to the lake side (side C). The current deck actually extends further from the home edge towards the property line, by removing and holing in from the house corners we make this part more conforming than its current state. We will not put that back in that location but keep within the boundaries of the rear wall only, as noted on the plan.

We have proposed a small deck on the right side of the home (side D) that will project out 5ft 9inches from the wall of the house, this is to add dimension and make the entry way more elegant and give a view of the lake. A new deck with porch overhang ceiling is added to the existing porch ceiling to be able to facilitate an upper deck. The left side (Side B) with the overhangs existing already are less than the 10ft requirements and are approximately a 4+ feet setback, this varies from 4ft to a few additional inches based on how the home was set on the property with an angle and the odd shape lots effect this, please see survey for how home is placed on lot.

We will be removing an old existing wood deck on side D abutting the property line to the park as a change, this old deck is seen in the survey. With removing and bringing back landscaping will be more pleasing to the eye and to the community. This helps with bringing the property to be more conforming.

The garage is being renovated as part of this project as to make this garage look a new and help use of the garage and finish the exterior with new siding, soffit, trim, roof, etc...

Our dilemma is the current zoning set back for homes. These were never factored in when the lakes were developed and all these small, odd shape lots were platted. And as you know up and down Hillway they have been adding on to homes, building up, building out, and making upgrades to many, many homes. These homes most likely have been before this Zoning Board of Appeals in the past to get these variances to do the additions they have done. We are looking to renovate our home and do a similar upgrade like our neighbors on both sides and all down the road.

I have also included documents of the previous owner who we purchased the homes from made a very big sacrifice of donating a lot to the east to create the now existing par, which is easterly of our property line adjacent to this park. The lot had been deeded to White Lake Twp for the Oak Ridge Subdivision Park so the 82 lots in the sub we are in can use the property as an access to the lake. Obviously, this was a huge gift to all the residents and allows all residents to access the lake where in the past it may have been restricted. This area is now managed by the Sugden Lake Civic Association who maintains the property on behalf of the Township I am told. The association is tasked with lawn cutting and lets neighbors use the lot to launch boats. This added a lot of value to everyone's property. The deeding to the township was back in 1981. So, the lot we own has a little less property now than it used to, but gave all the residents a valuable asset.

We feel this renovation and addition of a 2nd floor will bring great value to the existing property, the values of all homes in Oak Ridge Subdivision, and higher values for the township. But most of all build a beautiful home for a family to live and enjoy Sugden lake and White Lake Twp at large.

The issues we have that make meeting the zoning requirements and the need for our variance would be some of the following items:

- Practical Difficulty:
 - The lot laid out decades ago, in 1956, is wider on the road then the lake front. The lots narrows as it heads to the lake adding to our difficulty meeting setbacks on side yards.
 - The positioning of the existing home build
 - Our lot width and total area add to our difficulty
- Unique Situation:
 - The lot has a very unique shape
 - The home on this lot is already non-conforming

- o The lots pie shape created a unique situation by itself.
- The existing home was built at an angle to the side property lines, but as the lot lines narrow this effects the side yard setbacks.
- The neighbors home newer home build addition on the left built up the grade of the property to cause excess water drainage to our lot. Along with their sump discharge being directed to our side B deck with a homemade trough. This will require us to add a French drain to the yard to help with yard drainage to help both us and the neighbor.

Not Self-Created:

- We did not create this issue, as it was a preexisting issue from the date built for the home and garage.
- The applicant did not draw these plot / property lines and have existed since the day it was built in 1956 with these property lines and setbacks.
- The non-conforming situation was created with build in 1956.
- Minimum Variance Necessary:
 - With maintaining the existing overhang style from the existing 1st and 2nd floor, we are not making it have further setback issues and asking for a minimum variance for the new construction 2nd floor and maintain the existing setbacks on the 1st floor. We also are not making it anymore non-conforming.
 - With this build we would not be impacting any neighbors view of the lake or park next door.

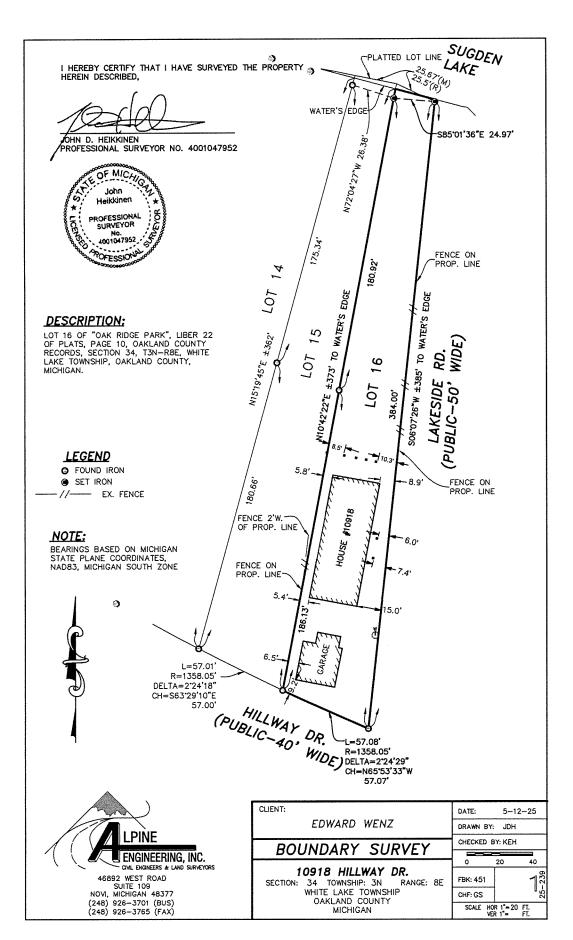
Any questions regarding this matter, please contact us anytime.

Edward G. Wenz, Jr. Cell# 586-291-1616

Wenz ed@yahoo.com

Dana L. Simons-Wenz Cell# 248-762-7932

danasimons@comcast.net



BOUNDARY MAP - PROPOSED RENOVATIONS

Rik Kowall, Supervisor Anthony L. Noble, Clerk Mike Roman, Treasurer



Trustees Scott Ruggles Steve Anderson Andrea C. Voorheis Liz Fessler Smith

WHITE LAKE TOWNSHIP

7525 Highland Road • White Lake, Michigan 48383-2900 • (248) 698-3300 • www.whitelaketwp.com

August 7, 2025

Edward Wenz 8756 Trenton Dr White Lake, MI 48386

Re: Proposed 2nd Story Addition at 10918 Hillway Dr

Based on the submitted plans, the proposed 2nd story addition does not satisfy the White Lake Township Clear Zoning Ordinance.

Article 3.1.6 of the White Lake Township Clear Zoning Ordinance for R1-D requires: Minimum side yard setback of 10 feet one side and 20 feet total of two sides, and minimum lot width of 80 feet.

Article 7.23(A) of the White Lake Township Clear Zoning Ordinance: No such nonconforming structure may be enlarged or altered in a way which increases its nonconformity.

Based on the survey and plans submitted, the existing structures and lot are non-conforming where the lot width is 57.08 ft. which contains a residential structure having a 5.4 ft. side yard setback on the west side and an 8.9 ft. side yard setback on the east side for a total of 14.3 ft.

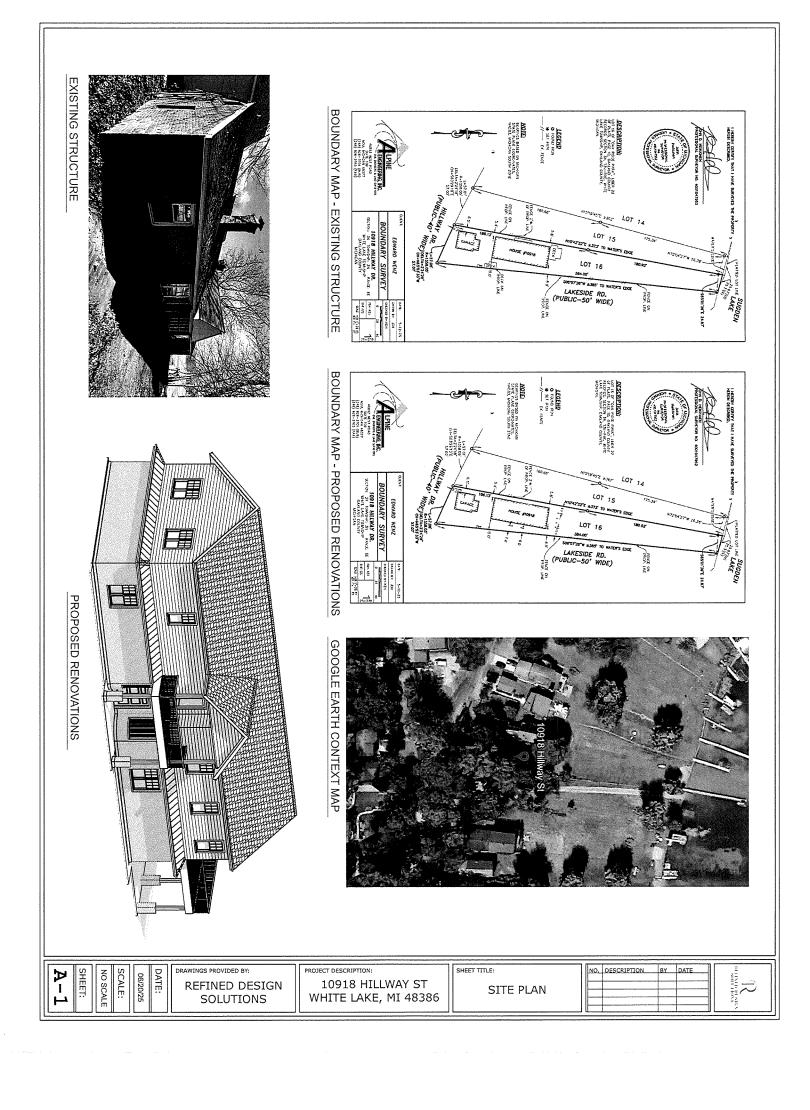
The proposed 2nd story addition would increase these non-conformities by adding living space and roof structures within the required 10 ft. side yard setback. The proposed side yard setbacks would be 5.4 ft on the west side, in line with the existing footprint, and 6 ft on the east side measured to the 2 story covered porch pillar for a total side yard setback of 11.4 ft. It should further be noted; no newly constructed portion of any building including overhangs and gutters shall extend into the 5 ft. side yard setback.

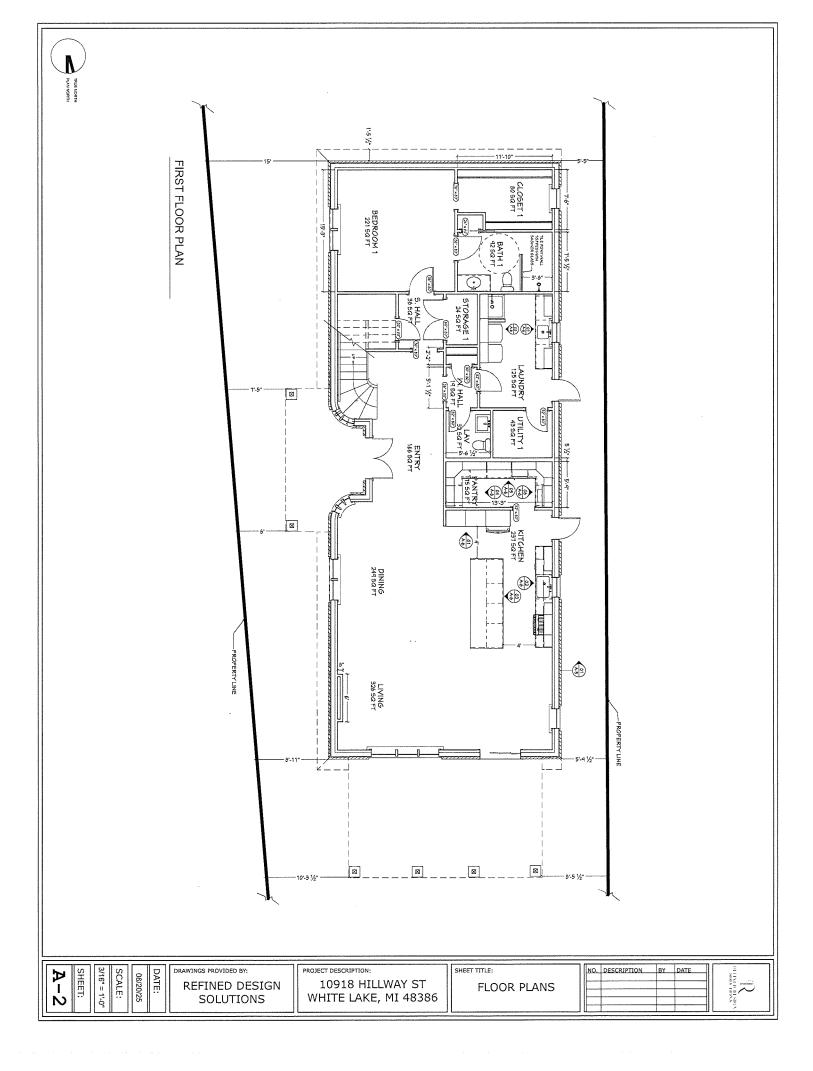
Approval of the building plans is subject to a variance to the schedule of regulations, Article 7 of the White Lake Township Clear Zoning Ordinance. To be eligible for the August 28th Zoning Board of Appeals (ZBA) meeting, complete application must be submitted to the White Lake Township Planning Department no later than July 24th at 4:30 PM. The Planning Department can be reached at (248)698-3300, ext. 5

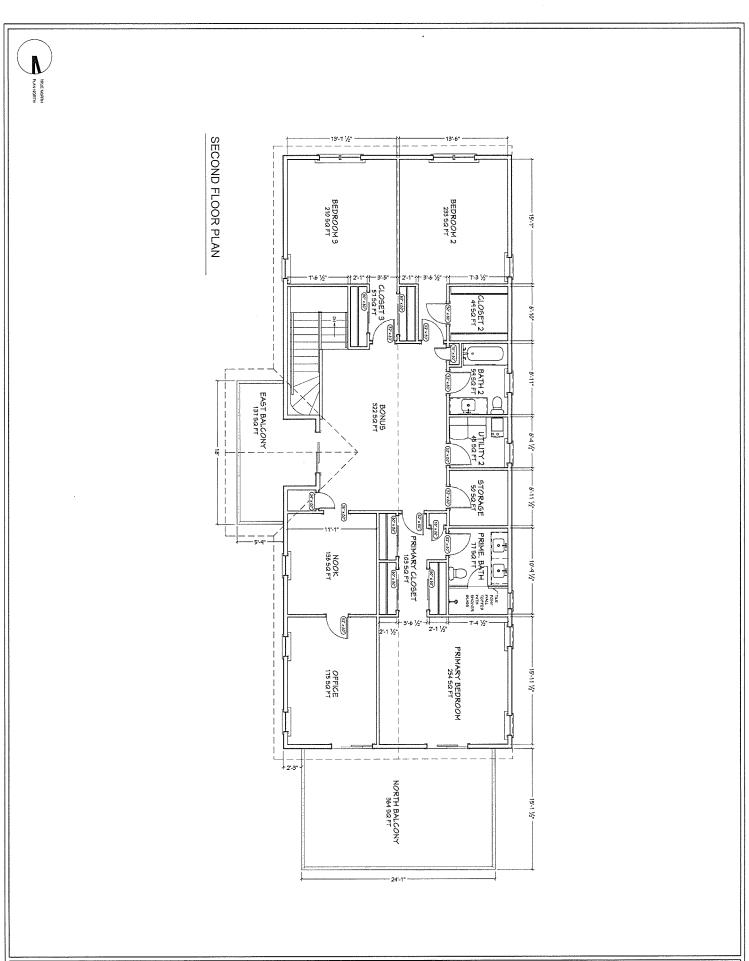
Sincerely,

Nick Spencer, Building Official

White Lake Township

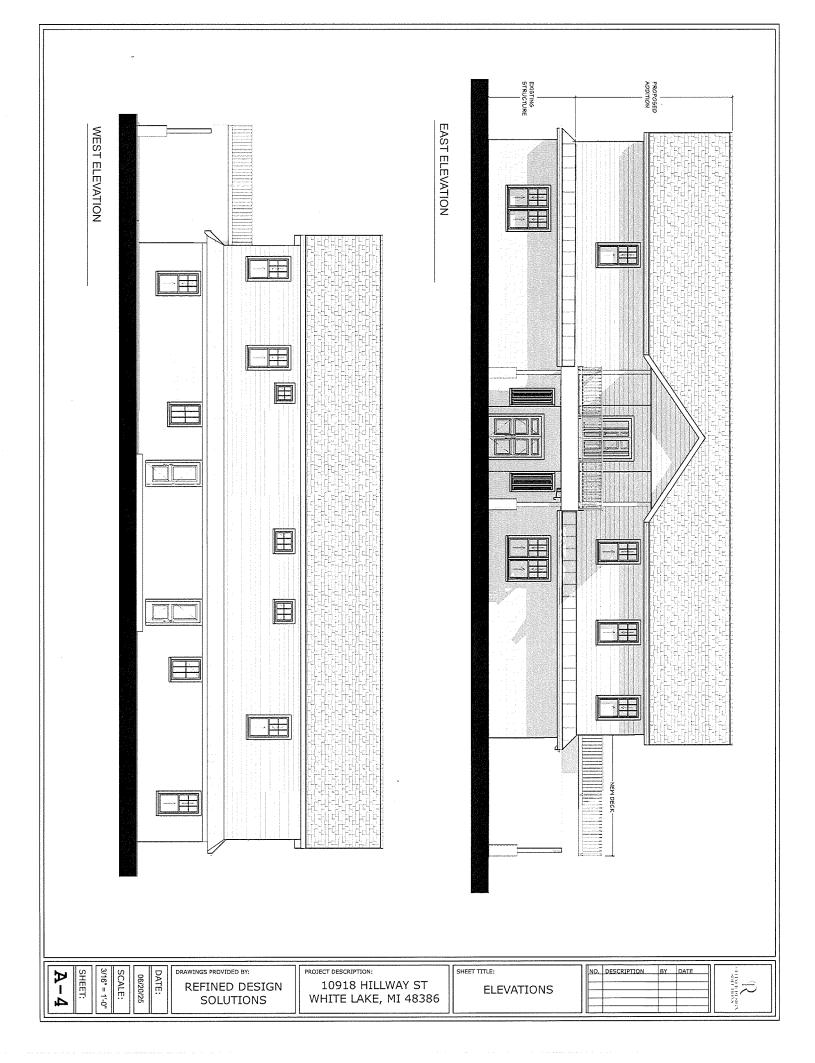






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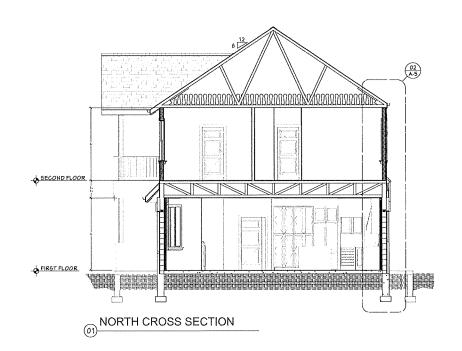


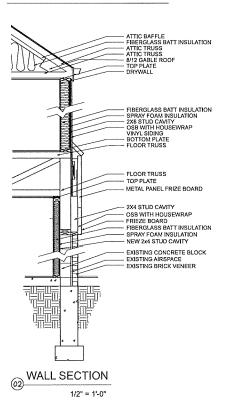




NORTH ELEVATION







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ROJECT DESCRIPTION:	SHEET TITLE:	_	ġ	DES
10918 HILLWAY ST	ELEVATIONS &			
WHITE LAKE, MI 48386	SECTIONS			

REFINED DESIGN
SOLUTIONS

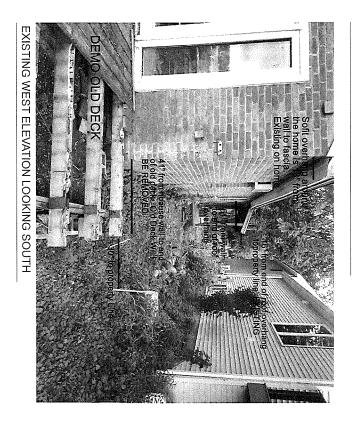
DATE: 06/20/25

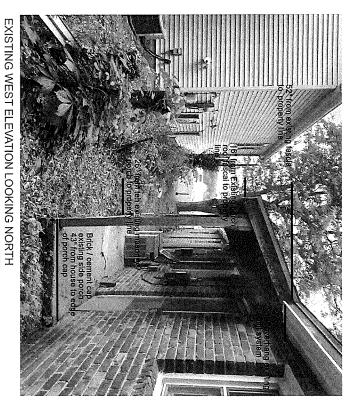
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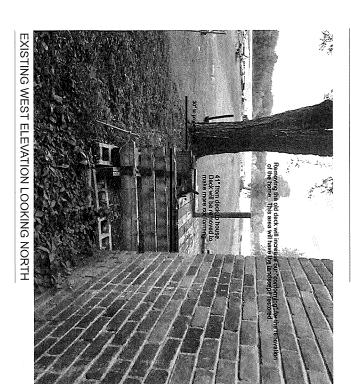
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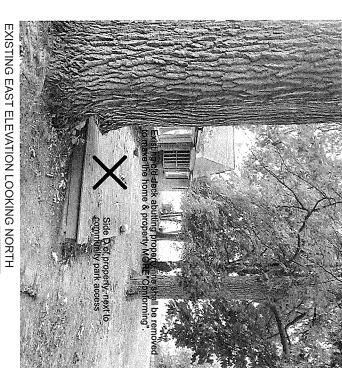
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NO SO DA	DRAWINGS PROVIDED BY:	PROJECT DESCRIPTION:	SHEET TITLE:	NO. DESCRIPTION BY DATE
M7E: M8/20/25 CALE: D SCALE HEET:	REFINED DESIGN SOLUTIONS	10918 HILLWAY ST WHITE LAKE, MI 48386	REFERENCE PHOTOS	

RCV'D

02/19/2025

OAKLAND COUNTY TREASURERS CERTIFICATE

This is to certify that there are no delinquent property taxes as of this date owed to our office on this property. No representation is made as to the status of any taxes, tax liens or titles owed to any other entities.

2/19/2025

5.00

ROBERT WITTENBERG, County Treasurer Sec. 135, Act 206, 1893 as amended

2023 Nof Examined

019327 Liber 60006 Page 103 thru 104 9:33:45 AM Receipt #000431446 2/21/2025 \$26.00 Misc Recording \$4.00 Remonumentation \$5.00 Automation \$1,771.60 Transfer Tax

PAID RECORDED - Oakland County, MI e-recorded

Oakland /21/2025 000431446



\$226.60 1418033

WARRANTY DEED



File No. LIB202338

The Grantor(s): Gregory A. Adas, Successor Trustee of The Nena Adas Trust dated November 16, 2004

whose address is: 10918 Hillway Dr., White Lake, MI 48386

Convey and Warrant to: Bear North Properties LLC, a Michigan limited liability company

whose address is: 8756 Trenton Dr., White Lake, MI 48386

the following described premises situated in the Township of White Lake, County of Oakland, State of Michigan, to wit:

Lot(s) 16, Oak Ridge Park Subdivision, according to the recorded Plat thereof, as recorded in Liber 22 of Plats, Page(s) 10, Oakland County Records.

The above described property is commonly known as 10918 Hillway Dr., White Lake, MI 48386

for the full consideration of: \$206,000.00 (Two Hundred Six Thousand Dollars and No Cents)

Subject to: Building and use restrictions, zoning ordinances and easements if any. Liens for any tax and/or assessment which become due and payable on or after the effective date hereof.

Rights of the United States, other governmental entities, the public and other riparian owners in that part of the land which extends beyond the mean high water mark of the Lake.

Rights of others to use that part of the land which lies within the bounds of Sugden Lake Park.

Terms and conditions contained in Bylaws of Sudgen Lake Civic Association as recorded in Liber 58058, page 415, Oakland County Records.

Amendement(s) to the above item as recorded in Liber 58820, page 224, Oakland County Records.

(File Number: LIB202338)

WARRANTY DEED

(Continued)

(Attached to and becoming part of the Warranty Deed between The Nena Adas Trust dated November 16, 2004, as Grantor(s) and Bear North Properties LLC, a Michigan limited liability company, as Grantee(s))

Provisions of the By-Laws and Jurisdiction of Sudgen Lake Civic Association as more fully set forth page 415 Oakland County Records. Said instrument provides for the assessment of charges against property by said association which shall constitute a lien against subject property if unpaid.	in Liber 58058, it subject
Dated 02, 14, 2025 Signed By:	

Gregory A. Adas, Successor Trustee / Thus Te

STATE OF Florich
COUNTY OF ST. LUCIE

LOUIS MONTALBANO
Notary Public - State of Florida
Commission # HH 163065
My Comm. Expires Aug 22, 2025
Bonded through National Notary Assn.

Louis Mon TAlban Notary Public

My Commission Expires: Acting in the County of: County 08-2-2005

ST. Lucie

Drafted by:

Thomas D. Richardson, Esq. 1025 E. Maple Rd. Suite 200 Birmingham, MI 48009

When recorded return to:

Bear North Properties LLC, a Michigan limited liability company 8756 Trenton Dr. White Lake, MI 48386

Tax Code: Y 12-34-351-015

OPERATING AGREEMENT OF

Bear North Properties, LLC

THIS OPERATING AGREEMENT (this "Agreement") is made and entered into on March 4, 2023, by and between the parties listed on Exhibit A of this Agreement (collectively, the "Members" and each a "Member").

In consideration of the mutual promises of the parties, and of good valuable consideration, the receipt and sufficiency of which hereby is acknowledged, the Members mutually agreed as follows:

ARTICLE I - FORMATION OF LIMITED LIABILITY COMPANY

- Section 1.1 Formation. The Members hereby form a limited liability company pursuant to the provisions of the Michigan Limited Liability Company Act (the "Act"), and this Agreement. Articles of Organization, a form of which is attached to this Agreement as Exhibit B, have been or will be executed in ink by two or more Members and filed with the Michigan Department of Commerce.
- **Section 1.2 Name.** The name of the limited liability company is Bear North Properties LLC (the "Company"). The Company may register and use such assumed name or names as may be approved by a majority of the members.
- **Section 1.3 Principal Office.** The principal office of the Company shall be located at Roseville, Michigan or at such other location as the Members may agree from time to time by a vote of a majority of the members.
- **Section 1.4 Term.** The Company begins upon the filing of its Articles and will continue for the maximum duration as stated in the Articles or any amendment, unless earlier dissolved, as provided in this Agreement.
- **Section 1.5 Members and Percentage of Interest.** The names and addresses of the Members of the Company are set forth on Exhibit A attached to and made a part of this Agreement. Each Member shall have a percentage interest ("Interest" or "Percentage of Interest") in the Company as set forth opposite his or her name on Exhibit A.

ARTICLE II - CAPITAL

- **Section 2.1 Original Capital Contributions.** Each Member has contributed, or has agreed in writing, to promptly contribute to the capital of the Company, the cash, property or services listed on Exhibit A. Exhibit A contains the agreed upon fair market values of any contributed property and services. If the capital contribution shall be in the form of services performed, or to be performed in the future, such services shall be identified in writing and attached hereto.
- Section 2.2 Additional Capital. Members shall make additional contributions to the Company at such time or times, and upon such conditions, as all Members may agree in writing.
- Section 2.3 Capital Accounts. An individual Capital Account shall be maintained for each Member as provided in this Agreement and consistent with the applicable United States Treasury Regulations. No Member shall be paid interest on any capital contribution. Except as otherwise provided in this Agreement, no Member shall have the right to

withdraw or receive any return of his or her capital contribution. Any increase or decrease to a Member's capital account shall not affect a Member's Percentage of Interest.

Section 2.4 Loans. A member may from time to time advance money to the Company as a loan and not as a capital contribution. Such loans shall be identified as loans upon delivery to the Company, shall be recorded and maintained on the Company accounts as a loan, carry an interest rate equal to the lowest rate allowable under Internal Revenue Code regulations and contain such further conditions as the member and the Company may agree upon from time to time.

ARTICLE III - DISTRIBUTIONS, PROFITS, AND LOSSES

- **Section 3.1 Distributions.** Distributions shall be made only by a vote of the Members and, except as otherwise provided by a unanimous vote of Members, shall be distributed among the Members in accordance with their Percentages of Interest. No distribution will be made if, after the distribution, the Company would not be able to pay its debts as they become due in the ordinary course of business, or if the total of the Company's assets would be less than the total of the Company's liabilities. The determination of the ability of the company to make distributions shall be made by applying standard accounting principles, uniformly applied.
- **Section 3.2 Timing of Distributions.** Distributions, if any, shall be made at intervals approved by Members to those persons recognized on the books of the Company as Members on the day of the distribution. Any distribution made in the nature of a draw shall be reconciled and adjusted at the end of each tax year.
- Section 3.3 Distributions in Kind. Assets of the Company (other than available cash) shall not be distributed in kind to the Members, except, if the Members so determine, in liquidation of the Company. If any assets of the Company are distributed to the Members in kind, such assets shall be valued on the basis of the fair market value thereof on the date of distribution. In the event of a distribution in kind, unless otherwise agreed upon, the value shall be determined by the average of two independent appraisals, one appraiser selected by the Company and the other by the member receiving the distribution.
- Section 3.4 Allocations of Profits and Losses Among The Members. After giving effect to special allocations made by the Company, if any, and except as may be required by the Internal Revenue Code of 1986 as amended or this Agreement, net profits, net losses, and other items of income, gain, loss, deduction and credit of the Company shall be allocated among the Members in accordance with their Percentages of Interest.
- Section 3.5 Special Allocations Required by the IRC. The Company shall make the following special allocations and any other special allocations as may be required by the Internal Revenue Code of 1986 as amended:
 - (a) In accordance with Section 704(c) of the Internal Revenue Code of 1986, as amended, and Treasury Regulations issued hereunder, income, gain, loss and deductions with respect to any property contributed to the company shall be allocated among the Members so as to take into account any variations between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the time of its contribution to the Company. In making such allocations, the Company may use any of the methods permitted by such Treasury Regulations.
 - (b) If a Member unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5), or (6), the Member will be allocated items of income and gain in an amount and manner

- sufficient to promptly eliminate such deficit balance in accordance with such Treasury Regulations.
- (c) If there is a net decrease in Company minimum gain as defined in Treasury Regulations Section 1.704-(2)(d) during any taxable year of the Company, then prior to any other allocations under this Agreement, the Member shall be specially allocated items of Company income and gain for the year equal to that Member's share of the net decrease in such minimum gain, all in accordance with the Treasury Regulations.

ARTICLE IV - MEMBERS AND MANAGEMENT

- Section 4.1 Management by Members. The business of the Company will be managed by its Members. The Members, by majority action based on their respective Percentages of Interest, shall have the exclusive right to manage the business of the Company and to do all things that, in their judgments, but consistent with the business purposes of the Company, are necessary, proper, or desirable to carry out those duties and responsibilities.
- **Section 4.2 Members as Agents.** Every Member is an agent of the Company for the purpose of its business, and the act of every Member, including the execution in the Company name of any instrument, for apparently carrying on in the usual way the business of the Company binds the Company, unless the Member so acting does not have the authority to act for the Company in the particular matter and the person with whom he or she is dealing has knowledge of the fact that he or she has no authority.
- **Section 4.3 Meetings of Members.** Meetings of the Members of the Company may be called by Members holding not less than 30% of the Percentages of Interest and shall be held on two (2) days notice. Unless waived, notice of the time and place of each meeting shall be given in writing to each Member by any person calling the meeting. There shall be a minimum of one regular meeting per year to be held on the 15th day of the second month following the end of the tax year. Minutes shall be recorded and kept as a part of the Company records.
- **Section 4.4 Voting and Meetings.** Any action to be taken under this Agreement or the act by the Members may be taken by vote at a meeting of the Members, or by written consent without a meeting. Any action shall require, unless a greater percentage vote is required by the act or this Agreement, the affirmative vote or consent of a majority of the Percentage of Interests held by Members.
- Section 4.5 Members Right to Vote. The Members have the right to vote on all of the following:
 - (a) The dissolution of the Company.
 - (b) Merger of the Company.
 - (c) A transaction involving an actual or potential conflict of interest between a Member and the Company.
 - (d) An amendment to the articles of organization.
 - (e) The sale, exchange, lease, or other transfer of all or substantially all of the assets of the Company other than in the ordinary course of business.
 - (f) Any other voting rights of Members provided in the articles of organization or this Agreement.

Section 4.6 Restrictions on Members. No Member, without the prior written consent of at least a majority of the Members based on their respective Percentages of Interest, shall:

- (a) Sell, assign, transfer, mortgage, or pledge any material assets of the Company;
- (b) Dissolve the Company;
- (c) Assign, transfer, pledge, compromise, or release any claim of the Company except for full payment, or arbitrate or consent to the arbitration of any disputes or controversies involving the Company;
- (d) Use the name, credit or property of the Company for any purpose other than a proper Company purpose;
- (e) Cause the merger of the Company with or into any other business entity; or
- (f) Do any act in conflict with the Company business or that would make it impossible to carry on that business.

Section 4.7 Other Businesses of Members. No Member will be required to devote full time effort to the Company. Each of the Members shall devote such time to the Company business as they, in their sole discretion, deem necessary to further the interests of the Company. Nothing contained in this Agreement shall be construed as preventing a Member from engaging in any other business activity, including an activity that would compete with this Company. In the event a member shall become an employee of the Company, the member employee's obligation and rights shall be reduced to writing and maintained as a part of the Company records.

Section 4.8 Liability of the Members. No Member shall be monetarily liable, responsible or accountable in damages or otherwise to any Member or to the Company for any act or omission performed or omitted by the Member. This Section does not eliminate or limit the liability of a Member for any of the following:

- (a) The receipt of a financial benefit to which the Member is not entitled;
- (b) Liability for voting for or assenting to an improper distribution under Section 308 of the Act; and
- (c) A knowing violation of law.

Section 4.9 Indemnification of Members. The Company will indemnify and hold harmless, to the fullest extent permitted by the Act, each of the Members from and against any and all losses, expenses (including attorneys' fees), claims, and demands sustained by reason of any acts or omissions, or alleged acts or omissions, in the management of the Company, including judgments, penalties, fines, or expenses (including attorneys' fees) incurred in a proceeding to which the person is a party or threatened to be made a party because the Member was involved in the management of the Company, except for those matters for which they have liability under Section 4.7 above.

Section 4.10 Insurance. The Company may purchase and maintain insurance, payable to the Company (or as otherwise agreed by the Members), to protect the Company and the members from the acts or omissions of each of the members. Such insurance shall be an expense of the Company.

Section 4.11 Books and Records. The Company shall keep proper and complete records and books of account of all Company business and these records shall be open to inspection by any Member at any reasonable time. Any Member may make copies of the records and books of account. The Company shall keep its books and records on the basis of accounting determined to be in the best interest of the Company. Within seventy-five (75) days after the end of each taxable year and at the expense of the Company, the Members shall cause to be prepared a complete accounting of the affairs of the Company, together with whatever appropriate information is required by each Member for the purpose of preparing such Member's income tax return for that year, which accounting and other information shall be furnished to each Member. The accounting and other information that shall be furnished to each Member shall include, but is not necessarily limited to:

- (a) A report setting forth, as of the end of and for each fiscal year, a profit and loss statement, a balance sheet, and a statement showing the amounts allocated to each member during the year; and
- (b) Other information as in the judgment of the Members shall be reasonably necessary for the Members to be advised of the results of operations of the Company.

Section 4.12 Records Maintained at Registered Office. The Company shall maintain at its principal office the records referred to in this Agreement, including, but not limited to, the following:

- (a) A current list of the full name and last known address of each Member;
- A copy of the Articles of Organization, together with any amendments to the Articles of Organization;
- (c) Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three most recent years;
- (d) Copies of any financial statements of the Company for the three most recent years;
- (e) A copy of this Agreement;
- (f) Copies of records that would enable a Member to determine the Member's shares of the Company's distributions and their relative voting rights.

Section 4.13 Tax Matters. The Member designated on Exhibit A as the Tax Member will initially handle federal tax matters for the Company. The Tax Member may be removed and replaced by a vote of the Members. The Tax Member will be entitled to vote on removal and replacement. The Tax Member will take action as may be necessary to cause each other Member of the Company to become a "notice partner", within the meaning of Section 6223 of the IRC.

Section 4.14 Bank Accounts. All funds of the Company shall be deposited in Company checking or other bank accounts, subject to such authorized signatures as the Members may determine.

Section 4.15 Fiscal Year. The fiscal year of the Company shall end on the 31st day of December in each year.

ARTICLE V - ASSIGNMENT AND WITHDRAWAL

- Section 5.1 New Members; Substitute Members and Transferees. No new members may be admitted to the Company without the prior written consent of all Members. Unless otherwise required by law, no Member has the right to sell, assign, transfer, mortgage, or pledge his or her Interest, or any part of his or her Interest, in the Company or grant the right to become a substitute member to an assignee of all or any part of his or her Interest, except with the prior written consent of all Members, and any attempt to do so is null and void. Subject to the other provisions of this Agreement, a transferee of an Interest in the Company shall be admitted as a member only after completion of the following:
 - (a) The transferee accepts and agrees in writing to be bound by the terms and provisions of this Agreement;
 - (b) The transferor pays or reimburses the Company for all legal fees and filing costs incurred by the Company in connection with the admission of the transferee as a member; and
 - (c) If the transferee is not an individual, the transferee provides the Company with evidence satisfactory to counsel of the Company of the authority of such transferee to become a member under the terms and provisions of this Agreement.
- **Section 5.2 Overriding Restrictions on Transfer.** Notwithstanding anything else contained in this Agreement, Membership Interest may not be assigned, in whole or in part:
 - (a) If the assignment, alone or when combined with other transactions, would result in a termination of the Company within the meaning of Section 708 of the IRC;
 - (b) Without an opinion of counsel satisfactory to the Company that the assignment is subject to an effective registration under, or exempt from the registration requirements of, the applicable state and federal securities laws; and
 - (c) Unless and until the Company receives from the assignee the information and agreements that the Company may reasonably require, including, but not limited to, any taxpayers identification number and any agreement that may be required by any taxing jurisdiction.
- Section 5.3 Transfers Not in Compliance With This Article Void. Any attempted assignment of a Member Interest, or any part thereof, not in compliance with this Article is null and void <u>ab initio</u> and will be treated as a withdrawal in violation of this Agreement by the assigning Member.
- Section 5.4 No Assumption of Liability. An assignee of a Membership Interest, who is not admitted as a Member, will have no liability as a Member of the Company solely as a result of the assignment.
- Section 5.5 Rights of Assignee. The assignee of a Membership Interest, even one who is already a Member, has no right to participate in the management of the business and affairs of the Company or to become a Member or exercise any rights of a Member (including, voting on or otherwise assenting to Company action), with respect to the assigned interest, unless admitted as a substitute Member as provided in this Agreement.

- Section 5.6 Termination of Membership; Liability. Except as otherwise provided, a Member ceased to be a Member upon assignment of all of his or her Membership Interest. The assignor is not released from his or her liability to the Company under Sections 302 and 308 of the Act, even if the assignee becomes a Member.
- **Section 5.7 Withdrawal.** Before the dissolution and winding up of the business of the Company, no Member may voluntarily withdraw from the Company except with the prior written consent of all Members. If a Member withdraws in violation of the Section 5.7, such Member is not entitled to any distributions (under Section 305 or Section 808 of the Act) and the Company may recover from the withdrawing Member any damages for breach of this Agreement in excess of the amount that would otherwise be distributable to the Member under Sections 305 or 808 of the Act.
- **Section 5.8 Expulsion.** A Member may be expelled from the Company only for cause and only upon the affirmative vote of a majority of Membership Interest. The Member whose expulsion is in question will be entitled to vote on the matter of expulsion. Expulsion will be at a meeting of the Members called expressly for that purpose, and the Member whose expulsion is in question will be given reasonable advance notice of the allegations against the Member and an opportunity to be heard at the meeting.

ARTICLE VI - DISSOLUTION AND LIQUIDATION OF THE COMPANY

- **Section 6.1 Dissolution; Right to Continue.** Upon an event of dissolution (as defined below), the remaining Members, if any, shall have the right by unanimous consent to continue the business of the Company by written agreement within ninety (90) days after the event giving rise to the dissolution. Events of dissolution include the following:
 - (a) The expiration of the term of the Company as provided in the Articles;
 - (b) The unanimous consent of the Members;
 - (c) The death, withdrawal, expulsion, bankruptcy, or dissolution of a Member, or the occurrence of any other event that terminates the continued membership of a Member in the Company; or
 - (d) The entry of a decree of judicial dissolution.
- Section 6.2 Liquidation and Termination. Subject to any restrictions in any agreement to which the Company is a party, the Company may be terminated after dissolution if the remaining Members do not elect to continue the Company as provided in this Agreement. If the Company is terminated, the Members shall promptly liquidate and terminate the affairs of the Company by discharging all debts and liabilities of the Company and by distributing all assets in accordance with the Act and this Agreement.

ARTICLE VII – MISCELLANEOUS

- **Section 7.1 Binding Provisions.** The covenants and agreements contained in this Agreement shall be binding upon the heirs, personal representatives, successors and assigns of the respective Member.
- Section 7.2 Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions of this Agreement are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement that are valid.

- Section 7.3 Specific Performance and Damages. The Members understand and agree that any Member may suffer irreparable damage in the event that this Agreement is not specifically performed according to its terms. Accordingly, the Members agree that all of the terms of this Agreement will be enforceable in a court having equity jurisdiction by a decree of specific performance or by injunction or by both; provided, however, that the foregoing will not be construed as prohibiting any of the Members from pursuing any additional remedies for a breach or threatened breach of this Agreement, including the recovery of damages.
- **Section 7.4 Notices.** Any notice required or permitted to be given under this Agreement will be sufficient and deemed delivered if in writing, signed, and personally delivered or deposited in the United States mail in a sealed envelope addressed to the Member at the Member's address as it appears on the records of the Company in the case of notice to the Member, or to the Company's principal place of business and the Company's registered office, if different, in the case of notice to the Company, with postage prepaid.
- Section 7.5 Entire Agreement. This Agreement constitutes the entire understanding and agreement among the Members with respect to the subject matter of this Agreement, and supersedes all prior and contemporaneous agreements and understandings, inducements, or conditions, express or implied, oral or written, except as contained in this Agreement.
- Section 7.6 No Third Party Beneficiaries. Nothing contained in this Agreement shall create or be deemed to create any rights or benefits in any third parties.
- Section 7.7 Amendment of Agreement and Articles of Organization. Neither this Agreement, nor the Articles of Organization, a form of which is attached to this Agreement as Exhibit B, may be amended or modified, except with the unanimous written consent of all Members.
- Section 7.8 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.
- **Section 7.9 Captions.** Captions are used in this Agreement for the convenience of the parties only and are not intended to be used in the interpretation of this Agreement.
- **Section 7.10 Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same instrument, binding on the Members. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.
- Section 7.11 Arbitration. Any dispute arising under or resulting from this Agreement shall be submitted to the AMERICAN ARBITRATION ASSOCIATION in Southfield, Michigan under their rules for commercial arbitration. The award of the arbitrator shall be final and the prevailing party may apply to a court of competent jurisdiction and have a judgment entered upon the award of the arbitrator. The fees for arbitration shall be shared equally by the parties and each party shall be responsible for their own attorney fees unless otherwise awarded by the arbitrator.

IN WITNESS THEREOF, the Members execute this Agreement as of the date first written above.

Edward G. Wenz, Jr.

Dana L. Simons-Wenz

EXHIBIT A

ТО

LIMITED LIABILITY COMPANY AGREEMENT

OF

Bear North Properties, LLC

SS # 364-02-8745

Member Name, Address and SSN / EIN	Capital Contribution	Percentage of Interest	Signature of Member	
Member A	\$ 1,000.00	50%		
Edward G. Wenz, Jr.		6		
8756 Trenton				
White Lake, MI 48386				
SS # 362-82-1368				
Member B	\$ 1,000.00	50%		e.
Dana Simons Wenz.		\bigcirc	rad. Sun	mos-ligh
8756 Trenton		Dana L. S	imons-Wenz	
White Lake, MI 48386				