

CONDOMINIUM BY-LAWS

OF

ROCKFORD WOODS

-ARTICLE I-

THE CONDOMINIUM

Section 1. Organization. Rockford Woods, a residential site condominium located in Plainfield Township, Kent County, Michigan (the "Condominium"), shall be administered by an association of Co-owners (the "Association") which shall be organized as a nonprofit corporation under the laws of the State of Michigan. The Association will be responsible for the management, maintenance, operation and administration of die Common Elements, easements and, generally, the affairs of the Condominium in accordance with the Master Deed, these Condominium By-Laws, the Association's Articles of Incorporation, Association By-Laws, Rules and Regulations of the Association, and all applicable local ordinances and the laws of the State of Michigan, including the Michigan Condominium Act (the "Act").

Section 2. Compliance. All present and future Co-owners (who shall be "Members" of the Association as provided in Article II, Section I, below, the terms "Member" and "Co-owner" are used interchangeably herein), mortgagees, tenants and all other persons who may in any manner use, enter upon or acquire any interest in the Condominium Premises, or any Condominium Unit, shall be subject to and comply with the provisions of die Act, the Master Deed, these Condominium By-Laws, and the Association's Articles of Incorporation and By-Laws, and all Rules and Regulations of the Association including, without limitation, any provision thereof pertaining to the use and operation of the Condominium Premises and the Condominium. The acceptance of a deed or conveyance, the taking of a mortgage, the execution of a lease, the act of occupying the Unit or presence in the Condominium shall constitute an acceptance of the provisions of these documents and an agreement to comply therewith.

Section 3. Purpose of Condominium By-Laws. The Condominium By-Laws govern the general operation, maintenance, administration, use and occupancy of the Condominium, and all such activities shall be performed in accordance with the provisions hereof.

Section 4. Definitions. All terms used herein shall have any special meaning attributed to such terms in the Master Deed or set forth in the Act.

-ARTICLE II-

MEMBERSHIP, VOTING AND QUORUM

Section 1. Membership. Each Co-owner of a Condominium Unit, present and future, shall be a Member of the Association during the term of such ownership, and no other person or entity shall be entitled to membership. Neither Association membership nor the share of a Member in the Association funds and assets shall be assigned, pledged or transferred in any manner, except as an appurtenance to a Condominium Unit, and any attempted assignment, pledge or transfer in violation of this provision shall be wholly void.

Section 2. Voting Rights. Except as limited in the Master Deed and in these By-Laws, the Members owning each Unit shall collectively be entitled to one vote when voting by number and one vote, the value of which shall equal the total percentage value assigned to the Unit in Article V.B of the Master Deed, when voting by value. Voting, when required or permitted herein or elsewhere in the Condominium Documents, shall be by number, except in those instances where voting is specifically required to be by value, or both by number and by value, and no cumulation of votes shall be permitted.

Section 3. Persons Entitled to Vote. If one person owns a Unit, he shall establish his membership in the Association and his right to vote by presenting evidence of his ownership. If more than one person owns a Unit, or the Unit is leased, all of the record owners of the Unit shall sign and file with the Secretary of the Association a certificate designating the person entitled to exercise the Unit's membership in the Association, to cast the vote for the Unit and to receive all notices and other communications from the Association. Such certificate shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned, the name and address of the person or persons, firm, corporation, partnership, association, trust or other legal entity who is the Co-owner thereof and shall be signed and dated by all Co-owners of record. All certificates shall be valid until revoked, until superseded by a subsequent certificate, or until a change occurs in the record ownership of the Unit concerned. The Developer shall, at any meeting, be entitled to cast a vote on behalf of each Unit he owns without submitting any proof of ownership.

Section 4. Method of Voting. Votes on a specific issue may be cast in person. In addition, any person entitled to vote at any meeting may also appear and vote via telecommunications equipment, as provided by the Association By-Laws, or appear and vote (either specifically on an issue or by the general designation of a person to cast a vote) by written proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated, and any adjournment thereof, and must be filed with the Association before the appointed time of the meeting.

Section 5. Majority. At any meeting of the Members at which a quorum is present, a majority shall consist of the vote of more than fifty (50%) percent in number of the Members voting whether in person, by telecommunications or by proxy, on any particular matter, except as otherwise required herein, by the Master Deed or by law.

Section 6. Quorum. The presence in person or by proxy of at least fifty (50%) percent in value of the Members qualified to vote shall constitute a quorum for holding a meeting of the Members of the Association. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present 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 7. Other Provisions. Other provisions as to voting by Members, not inconsistent with the provisions herein contained, may be set forth in the Association By-Laws.

-ARTICLE III-

ADIMINISTRATION

Section 1. Board of Directors; Appointment and Election of Members. The business, property and affairs of the Association shall be governed by a Board of Directors consisting of not less than three (3) persons nor more than seven (7) persons, all of whom shall serve without compensation, provided, however, until new directors are elected at the first annual meeting of Members held pursuant to Section 1 of Article IV, the directors designated in the Articles of Incorporation of the Association, and any successors thereto appointed by the Developer, shall serve as the Board of Directors.

At the first meeting of Members and thereafter, for as long as the Developer has the right to designate any member of the Board of Directors of the Association as provided below, the election of the Board of Directors by the Co-owners shall be accomplished as follows:

(1) Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 25% of the Units that may be created, at least one (1) Director and not less than 25% of the Board of Directors shall be elected by the non-Developer Co- owners.

(2) Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 50% of the Units that may be created, 33-1/3% of the Board of Directors shall be elected by the non-Developer Co-owners.

(3) Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 75% of the Units that may be created, and before conveyance of 90% of such Units, the non-Developer Co-owners shall elect all of the Directors on the Board, except that the Developer shall have the right to designate at least one (1) Director as long as the Developer owns and offers for sale at least 10% of the Units in the Project or as long as 10% of the Units remain which may be created.

(4) Notwithstanding the above, in the event that 54 months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in

the Project, title to not less than 75% of the Units which may be created has not been conveyed, the non- Developer Co-owners shall have the right to elect the number of members of the Board of Directors equal to the percentage of Units they hold, and the Developer shall have the right to elect the number of members of the Board equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer, provided, however, that this paragraph may increase but shall not reduce the minimum election and designation rights otherwise established in this Article. Application of this paragraph shall not be interpreted to require a change in the size of the Board of Directors as otherwise set forth in these By-Laws, the Master Deed or the Association's Articles of Incorporation or By-Laws.

(5) If the calculation of the percentage of members of the Board that due non-Developer Co-owners have the right to elect under paragraphs (1) through (3) above, or if the product of the number of members of the Board multiplied by the percentage of Units held by the non-Developer Co-owners under paragraph (4) above results in a right of non- Developer Co-owners to elect a fractional number of members of the Board, 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 that the non-Developer Co-owners shall have the right to elect. After application of this formula, the Developer shall have the right to appoint the remaining members of the Board, provided, however, that the application of this paragraph shall not eliminate the right of the Developer to designate one (1) member of the Board as provided in paragraph (3) above, or the right of non-Developer Co-owners to elect at least one (1) Director to the Board of Directors as provided in paragraph (1) above.

The terms of office, manner of election, removal and replacement, meetings, quorum and voting requirements, and other duties or provisions of or relating to directors, not inconsistent with these Condominium By-Laws, shall be as provided by the Association By-Laws.

Section 2. Advisory Committee. The Board of Directors shall establish an Advisory Committee of non-Developer Members upon the passage of: (a) one hundred twenty (120) days after legal or equitable title to one-third (1/3) of the Condominium units which may be created have been conveyed to non-Developer Co-owners, or (b) one (1) year after the first conveyance of legal or equitable title to a Condominium unit to a non-Developer Co-owner, whichever first occurs. The Advisory Committee shall meet with the Board of Directors to facilitate communication with the non-Developer Members and to aid in transferring control from the Developer to non-Developer Members. The Advisory Committee shall be composed of not less than one (1) nor more than three (3) non-Developer Members, who shall be appointed by the Board of Directors in any manner it selects, and who shall serve at the pleasure of the Board of Directors. The Advisory Committee shall automatically dissolve after a majority of the Board of Directors are elected by non-Developer Members. The Advisory Committee shall meet at least annually with the Board of Directors. Reasonable notice of such

meetings shall be provided to all members of the Committee, and such meetings may be open or closed, in the discretion of the Board of Directors.

Section 3. Powers and Duties. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Condominium and may do all things which are not prohibited by law or the Condominium Documents or required thereby to be done by the Members. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the power and duty:

(a) To manage and administer the affairs of and to the Condominium, all appurtenances thereto, and the Common Elements, property and easements thereof,

(b) To levy and collect assessments against and from the Members of the Association and to use the proceeds therefrom for the purposes of the Association, and to enforce assessments through liens and foreclosure proceedings where appropriate,

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

(d) To restore, repair or rebuild the Condominium, or any portion thereof, after occurrence of casualty, and to negotiate on behalf of all of the Members in connection with any taking of the Condominium, or any portion thereof by eminent domain,

(e) To contract for and employ, and to discharge, persons or business entities to assist in the management, operation, maintenance and administration of the Condominium,

(f) To make reasonable rules and regulations governing the use and enjoyment of the Condominium by Members and their tenants, guests, employees, invitees, families and pets and to enforce such rules and regulations by all legal methods, including, without limitation, imposing fines and late payment charges, or instituting eviction or legal proceedings,

(g) To own, maintain and improve, and to buy, sell, convey, assign, transfer, mortgage or lease (as landlord or tenant), or otherwise deal in any real or personal property, including, but not limited to, any Condominium Unit, General Common Elements, easements, rights-of-way, licenses or any other real or personal property, whether or not contiguous to the Condominium, to benefit the Members of the Association and to further any of the purposes of the Association,

(h) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge or other lien on Association property, provided, however, that any such action shall first be approved by the affirmative vote of

more than three-fourths (3/4) of the Association Members in number and in value at a meeting of the Members duly called,

(i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto, to administer 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,

(j) To make rules and regulations or to enter into agreements with institutional lenders, or body, for the purpose of obtaining mortgage financing for Members which is acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association or any other agency of the federal government, the State of Michigan, the County of Kent, Plainfield Charter Township, or any other agency or unit of government,

(k) To enforce the provisions of the Master Deed and By-Laws of the Condominium, and of the Articles of Incorporation and such By-Laws, rules and regulations of the Association as may hereafter be adopted, and to sue on behalf of the Condominium or the Members and to assert, defend or settle claims on behalf of the Members with respect to the Condominium;

(l) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or By-Laws or by the Michigan Condominium Act, as amended.

(m) In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes thereof not forbidden, and with all powers conferred upon nonprofit corporations by the laws of the State of Michigan.

Provided, however, that neither the Board nor the Association shall, by act or omission, abandon, partition, subdivide, encumber, sell or transfer the Common Elements, or any of them, unless at least two-thirds (2/3) of the mortgagees (based upon one vote for each mortgage owned) and two-thirds (2/3) of the Members in number and value have consented thereto. The granting of easements under Article VI of the Master Deed or for any purpose consistent with the intended use of the Common Elements shall not be deemed a transfer for these purposes.

Section 4. Managing Agent. The Board of Directors may employ, at a compensation established by it, a Managing Agent for the Condominium to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties set forth in Section 3 of this Article. Any director, the Developer, or any related person or entity, may serve as Managing Agent if so appointed. If the Board employs a professional management agent for the Association, the Board shall notify each holder

of a mortgage lien on any Condominium Unit prior to terminating the employment of such professional management agent (or any successor thereto) and assuming self-management. In no event shall the Board be authorized to enter into a contract with a professional management agent, or a contract providing for services by the Developer or its affiliates, which is not terminable by the Association upon the Transitional Control Date or within ninety (90) days thereafter and upon thirty (30) days' written notice for cause. Upon the Transitional Control Date, or within ninety (90) days thereafter, the Board of Directors may terminate a service or management contract with the Developer or its affiliates. In addition, the Board of Directors may terminate any management contract which extends beyond one (1) year after the Transitional Control Date by providing notice of termination to the management agent at least thirty (30) days before the expiration of the one (1) year.

Section 5. Officers. The Association By-Laws shall provide for the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to Association officers not inconsistent herewith. Officers may be compensated, but only upon the prior affirmative vote of three-fourths (3/4) of the Members.

Section 6. Actions Prior to First Meeting. Subject to the provisions of Section 3 of this Article III, all of the actions (including, without limitation, the adoption of these By-Laws, the Association By-Laws, any Rules and Regulations of the Association, and any undertakings or contracts entered into with others on behalf of the Association) of the Board of Directors of the Association named in its Articles of Incorporation, or their appointed successors, before the first meeting of Members, shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Members at the first or any subsequent meeting of Members, so long as such actions are within the scope of the powers and duties which any Board of Directors may exercise, as provided in the Condominium Documents.

Section 7. Indemnification of Officers and Directors. The Association shall indemnify every Association director and officer against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him as a consequence of his being made a party to or being threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of his being or having been a director or officer of the Association, except in such cases wherein he is adjudged guilty of willful and wanton misconduct or gross negligence in the performance of his duties or adjudged to have not acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and its Members, and with respect to any criminal action or proceeding, he is adjudged to have had no reasonable cause to believe that his conduct was unlawful, provided that, if a director or officer claims reimbursement or indemnification hereunder based upon his settlement of a matter, he shall be indemnified only if the Board of

Directors (with any director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association and, if a majority of the Members request it, such approval is based on an opinion of independent counsel supporting the propriety of such indemnification and reimbursement. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights such director or officer may have. The Board of Directors shall notify all Members that it has approved an indemnification payment at least ten (10) days prior to making such payment.

-ARTICLE IV-

MEMBERSHIP MEETINGS

Section 1. First Annual Meeting of Members. The first annual meeting of the Members of the Association may be convened only by the Board of Directors and may be called at any time upon ten (10) days' written notice to all Members. In no event, however, shall the first annual meeting be held later than 120 days after conveyance of legal or equitable title to non- Developer Members of 25% of the Units which may be created, or 54 months from the conveyance of any Unit to a non-Developer Member, whichever first occurs. The Board of Directors may call meetings of Members of the Association for informational or other appropriate purposes prior to the first annual meeting of Members, but no such meeting shall be construed as the first annual meeting of Members.

Section 2. Regular Annual Meetings of Members. Following the first annual meeting of Members, subsequent annual meetings of the Members shall be held in each year at the time and place specified in the Association By-Laws. At least ten (10) days prior to the date of an annual meeting, written notice of the time, place and purpose of such meeting shall be sent by first- class mail, postage prepaid, to each person entitled to vote at the meeting.

Section 3. Special Meetings of Members. It shall be the duty of the President to call a special meeting of the Members upon a) a petition signed by one-third (1/3) of the non- Developer Co-owners and presented to the Secretary of the Association, b) upon the direction of a majority of the Board of Directors, or c) as required for the election of directors under Section 1 of Article III. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof and shall be given at least ten (10) days prior to the date of such meeting, No business shall be transacted at a special meeting except as stated in the notice.

Section 4. 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 will be solicited in the same manner as provided in Section 2 of this Article IV for the giving of notice of regular meetings of Members. Such solicitations will specify (a) the number of responses needed to meet the quorum requirements, (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 will afford an opportunity to specify a choice between approval and disapproval of each matter and will provide that, where the member specifies a choice, the vote will be cast in accordance therewith. Approval by written ballot will be constituted by receipt within the time period specified in the solicitation of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting, and (ii) 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.

-ARTICLE V-

OPERATION OF THE CONDOMINIUM

Section 1. Personal Property. The Association shall be assessed as the person or entity in possession for 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. Costs and Receipts to Be Common. All costs incurred by the Association to satisfy any liability arising within, or caused by OI' in connection with the Common Elements, or caused by or in connection with the administration of the Condominium, shall be expenses of administration, and all sums received as proceeds of, or pursuant to, the use and/or operation of the Common Elements or any insurance policy carried by the Association securing the interests of the Members against liabilities or losses arising within, caused by or connected with, the Common Elements or the administration of the Condominium shall be receipts of administration.

Section 3. Books of Account. The Association shall keep or cause to be kept detailed books of account showing all expenditures and receipts affecting the Condominium and its administration of the Condominium and which specify the operating expenses of the Condominium. Such books of account shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred on behalf of the Association and Members. The Members and their mortgagees may inspect the books of account during reasonable working hours on normal working days at a place the Association designates. The books of account shall be audited at least annually by qualified independent auditors, but such audit need not be a certified audit, nor must the auditors be certified public accountants. The cost of such audit, and all accounting expenses, shall be an expense of administration. Any institutional holder of a mortgage lien on any Condominium Unit who so requests shall be given a copy of the audit report within ninety (90) days following the end of the Association's fiscal year. At least once a year, the Association shall prepare and distribute to each Member a statement of its financial condition, the contents of which shall be defined by the Association.

Section 4. Regular Periodic Assessments. The Board of Directors shall establish an annual budget in advance for each fiscal year for the Condominium, and such budget shall contain the Board's estimate of the funds required to defray the expenses of administration for the forthcoming year, as those items are defined by these By-Laws, and all other common expenses. The budget also shall allocate and assess all such common charges against all Members in accordance with the percentage of value allocated to each Unit by the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant thereto. The common expenses shall consist, among other things, of such amounts as the Board may deem proper for the operation, management and maintenance of the Condominium Premises under the powers and duties delegated to it hereunder, and may include, without limitation, amounts to be set aside for working capital of the Condominium, for a general operating fund, for a reserve fund and for meeting any deficit in the common expense budget for any prior year. The budget shall establish an adequate reserve fund for maintenance, repair and replacement of the General and Limited Common Elements, which fund shall be financed by regular periodic payments (monthly, quarterly or annually) rather than by special assessments. The Board shall advise each Member in writing of the amount of common charges payable by him and shall furnish copies of each budget on which such common charges are based to all Members, although failure to deliver a copy of the budget to each Member shall not affect any Member's liability for any existing or future assessments. Should the Board of Directors at any time determine, in its sole discretion, that the assessments levied are or may prove to be insufficient: (a) to pay the operation and management costs of the Condominium, (b) to provide for the maintenance, repair or replacement of existing Common Elements, (c) to provide additions to the Common Elements not exceeding \$1000.00 annually, or (d) to provide for emergencies, the Board may increase the general assessments or levy such additional assessment or assessments, and apportion them, as it deems necessary. Members shall pay all assessments levied in accordance with this Section 4 in equal monthly, quarterly or semi-annual installments as determined by the Association, commencing with acquisition of title to a Unit by any means.

Section 5. Special Assessments. Special assessments, in addition to those provided for in Section 4 above, may be levied by the Board of Directors from time to time, following approval by the Members as hereinafter provided, to meet other needs, requirements or desires of the Association, including, but not limited to: (a) assessments for capital improvements or additions to the Common Elements at a cost exceeding \$1000.00 per year, (b) assessments to purchase a Unit upon foreclosure of a lien for assessments, as described in Section 6 of this Article, or (c) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this Section 5 (but not including those assessments referred to in Section 4 of this Article, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of not less than two-thirds (2/3rds) of all Members in value and in number.

Section 6. Collection of Assessments. Each Member, whether one or more persons, shall be and shall remain personally obligated for the payment of all assessments levied with regard to his Unit during the time that he is the owner thereof, and no Member may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit. If any member defaults in paying the assessed common charges, interest at the rate of seven percent (7%) per annum shall be charged on such assessment from the due date thereof and further late fees, penalties or proceedings may be instituted by the Board of Directors in its discretion. If such assessment, or any part thereof, is not paid on or before the due date established by the Board of Directors for such payment, then such payment shall be in default. The Board of Directors may, but need not, report such a default to any mortgagee of record. Any mortgagee of a Condominium Unit may consider a default in the payment of any assessment a default in the payment of its mortgage. Unpaid assessments shall constitute a lien upon the Unit prior to all other liens except tax liens and sums unpaid on a first mortgage of record. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the lien that secures payment of assessments. Each Member, and every other person, except for a first mortgagee, who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement (in accordance with the provisions of Chapter 32 of the Michigan Revised Judicature Act, as amended). The provisions of Michigan law pertaining to 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 purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. The Association is hereby granted what is commonly known as a "power of sale." Each Member and every other person, except a first mortgagee, who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or to cause to be sold at public auction the Unit with respect to which the assessment is delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. EACH MEMBER ACKNOWLEDGES THAT WHEN HE ACQUIRED TITLE TO HIS UNIT, HE WAS NOTIFIED OF THE PROVISIONS OF THIS SECTION AND THAT HE 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. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until ten (10) days have expired after the mailing, by certified mail, return receipt requested and postage prepaid, addressed to the delinquent Member of his last known address, of a written notice that an assessment, or any part thereof, levied against his Unit is delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. A written default of an authorized representative of the Association that sets forth (a) the affiant's capacity to make the

affidavit, (b) the statutory and other authority for the lien, (c) the amount outstanding (exclusive of interest, late fees, penalties, costs, attorney fees and future assessments), (d) the legal description of the subject Unit, and (e) the name of the Member of record, shall accompany such written notice. Such affidavit shall be recorded in the Office of the Kent County Register of Deeds prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing the notice. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the representative of the delinquent Member designated in Article II, Section 3, above, and shall inform such representative that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, reasonable attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be secured by the lien on his Unit. If any Member defaults in the payment of any installment of the annual assessment levied against his 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. In a judicial foreclosure action, the court may appoint a receiver to collect a reasonable rental for the Unit from the Member owning it or any persons claiming under him, and each Member hereby covenants to the appointment of such a receiver. The Association may also stop furnishing any services to a Member in default upon seven (7) days' written notice to such Member of its intent to do so. A Member in default on the payment of any assessment shall not be entitled to vote at any meeting of the Association so long as such default continues.

If the holder of a first mortgage on a Condominium Unit obtains title to the Unit by foreclosing the mortgage, accepting a deed in lieu of foreclosure or similar remedy, or any other remedy provided in the mortgage, such person, and its successors and assigns, or other purchaser at a foreclosure sale shall not be liable for unpaid assessments chargeable to the Unit which became due prior to the acquisition of title to the Unit by such person; provided, however, that such unpaid assessments shall be deemed to be common expenses collectible from all of the Members, including such person, its successors and assigns, and that all assessments chargeable to the Unit subsequent to the acquisition of title shall be the responsibility of such person as hereinbefore provided with respect to all Members.

When a Member is in arrears to the Association for assessments, the Association may give written notice of arrearage to any person occupying his Unit under a lease or rental agreement, and such person, after receiving the notice, shall deduct from rental payments due the Member the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the occupant.

The Association may purchase a Unit at any foreclosure sale hereunder.

Section 7. Obligations of Developer for Assessments. The Developer shall be a Member of the Association with respect to each Unit owned by the Developer and shall be responsible for the payment of assessments for each Unit owned in the same manner as all non- Developer Members, provided, however, that the Developer shall not be obligated to pay any special assessments or any portion of any regular assessments allocable to a reserve fund for repairs or replacement of Common Elements or any other reserve fund except with respect to any Units owned by the Developer on which a residence has been constructed and for which an occupancy permit has been issued.

Section 8. Maintenance and Repair Expenses. As provided in the Master Deed, the Association shall maintain and repair the General Common Elements, whether located inside or outside the Units, and the Limited Common Elements, to the extent set forth in the Master Deed. The costs thereof shall be charged to all the Members as a common expense, unless necessitated by the act or neglect of a Member, or his agent, invitee, family member or pet, in which case such expense shall be charged to such Member. The Association or its agent shall have access to each Unit from time to time during reasonable working hours, upon notice to the occupant thereof; for the purpose of maintenance, repair or replacement of any of the Common Elements located therein or accessible therefrom. The Association or its agent shall also have access to each Unit at all times without notice for making emergency repairs necessary to prevent damage to other Units, the Common Elements, or both.

All other maintenance and repair obligations shall, as provided in the Master Deed, be the responsibility of the individual Member. Each Member shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Member shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, cable television, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Member 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, his family, guests, agents or invitees, unless such damages or costs are actually reimbursed from insurance carried by the Association, in which case there shall be no such responsibility (if reimbursement to the Association is excluded by virtue of a deductible provision, the responsible Member shall bear the expense to the extent of the deductible amount, anything else in these By-Laws to the contrary notwithstanding). Any costs or damages to the Association that are herein or elsewhere in the Condominium Documents assigned to the individual Member may be assessed to and collected from the responsible Member in the manner provided for regular periodic assessments in Article V, Section 4, hereof.

The provisions of this Section 8 shall be subject to those of Article VI, Sections 1-3, in the event of repair or replacement on account of a casualty loss.

Section 9. Taxes. Subsequent to the year in which the Condominium is established, all special assessments and property taxes shall be assessed against the individual Units and not upon the total property of the Condominium or any part thereof Except to the extent paid or assumed by the Developer and the non-Developer co-owners under the individual purchase agreements for the purchase of Units, taxes and special assessments which have become a lien against the property of the Condominium in the year of its establishment (as provided in Section 131 of the Act) shall be expenses of administration and shall be paid by the Association. Each Unit shall be assessed a percentage of the total bill for such taxes and assessments equal to the percentage of value allocated to it in the Master Deed, and the Members owning those Units shall reimburse the Association for their Unit's share of such bill within ten (10) days after they have been tendered a statement therefor.

Section 10. Documents to be Kept. The Association shall keep current copies of the approved Master Deed, all amendments thereto, and all other Condominium Documents available for inspection at reasonable hours by Members, prospective purchasers and prospective mortgagees of Condominium Units.

Section 11. Reserve for Major Repairs and Replacement. The Association shall maintain a reserve fund for major repairs and replacement of Common Elements in an amount equal to at least ten percent (10%) of the Association's current annual budget on a noncumulative basis. Monies in the reserve fund shall be used only for major repairs and replacement of Common Elements, THE MINIMUM STANDARDS REQUIRED BY THIS SECTION MAY PROVE INADEQUATE FOR A PARTICULAR PROJECT. The Association 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.

Section 12. Statement of Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any Unit may request a statement from the Association as to the outstanding amount of any unpaid assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds a right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that 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 and the lien securing the same fully enforceable against such purchaser and the Unit itself.

-ARTICLE V1-

INSURANCE, REPAIR OR REPLACEMENT:

CONDEMNATION; CONSTRUCTION LIENS

Section 1. Insurance. The Association shall, to the extent deemed necessary and appropriate by the Board of Directors, carry fire and extended coverage, vandalism, malicious mischief and liability insurance, workmen's compensation insurance, and such other insurance coverage as the Board of Directors may determine, with respect to the ownership, use and maintenance of General and Limited Common Elements of the Condominium and the administration of Condominium affairs. Such insurance shall be carried and administered in accordance with the following provisions:

(a) All such insurance shall be purchased by the Association for the benefit of the Association, the Members and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of insurance with mortgagee endorsements to the mortgagees of Members' Units. It shall be each Member's responsibility to obtain insurance coverage for any buildings, structures or improvements constructed, made or placed on his Unit or the Limited Common Elements appurtenant thereto and his personal property located within his Unit or elsewhere on the Condominium Premises and for his personal liability for occurrences within his Unit or upon Limited Common Elements appurtenant to his Unit, and also for alternative living expenses. The Association shall have absolutely no responsibility for obtaining such coverage. The Association and all Members shall use their best efforts to see that all property and liability insurance carried by the Association or any Member shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Member or the Association, and, subject to the provisions of Article V, Section 8, hereof, the Association and each Member hereby waive, each as to the other, any right of recovery for losses covered by insurance. The liability of carriers issuing insurance obtained by the Association shall not, unless otherwise required by law, be affected or diminished on account of any additional insurance carried by any Member, and vice versa.

(b) All Common Elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Any improvements a Member makes within his Unit shall be covered by insurance obtained by him at his expense, provided that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Member and collected as a part of the assessment levied against said Member under Article V, Section 4 hereof.

(c) Public liability insurance shall be carried in such limits as the Board of Directors may from time to time determine to be appropriate, and shall cover the

Association, each Member, director and officer thereof, and any managing agent.

(d) All premiums upon insurance policies purchased by the Association pursuant to these By-Laws shall be expenses of administration, except as otherwise provided in subsection (b) above.

(e) 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, the Members and their mortgagees as their interests may appear, provided, however, whenever Section 3 of this Article requires the repair or reconstruction of the Condominium, any insurance proceeds received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such purpose. Except as provided in Section 3 of this Article, hazard insurance proceeds shall never be used for any purpose other than for repair, replacement or reconstruction of the Project unless all of the holders of mortgages on Units, and all Members in the Condominium have given their prior written approval.

(f) All insurance carried by the Association shall, to the extent possible, provide for cross-coverage of claims by one insured against another.

Section 2. Appointment of Association. Each Member, by ownership of a Unit in the Condominium, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning insurance pertinent to the Condominium Premises and the Common Elements. 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 therefor, to collect proceeds and to distribute the same to the Association, the Members and respective mortgagees, as their interest may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Members and the Condominium as shall be necessary or convenient to accomplish the foregoing.

Section 3. Reconstruction or Repair. If any part of the Condominium shall be damaged, the determination of whether or not, and how, it shall be reconstructed or repaired shall be made in the following manner:

(a) If a General Common Element is damaged, such property shall be rebuilt or repaired, unless the Members and each holder of a mortgage lien on any Condominium unit shall unanimously agree to the contrary .

(b) Any reconstruction or repair shall be performed substantially in accordance with the Master Deed and the plans and specifications for the Condominium to a condition as similar as possible to the condition existing prior to damage, unless the Members and each holder of a mortgage lien on any Condominium Unit shall unanimously decide otherwise.

(c) Each Member shall be responsible for the reconstruction and repair of any buildings, structures or improvements constructed, made or placed upon his Unit or any Limited Common Element appurtenant to his Unit.

(d) Immediately after a casualty occurs 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 return the damaged property to a condition as good as that existing before the damage. Any insurance proceeds received, whether by the Association or a Member, shall be used for reconstruction or repair when reconstruction or repair is required by these By-Laws. If the insurance proceeds are not sufficient to pay the estimated costs 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 costs thereof are insufficient, assessments shall be made against all Members 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. Such assessments shall be levied in the same manner as the regular periodic assessments, as set forth in Article V, Section 4, of these By-Laws. However, nothing in this Article VI, Section 3, shall require the replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 4. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

(a) The Association, acting through its Board of Directors, may negotiate on behalf of all members for any taking of Common Elements. Any negotiated settlement shall be subject to the approval of not less than two-thirds (2/3) of the Members in number and in value and shall thereupon be binding on all Members.

(b) If all or part of a Unit or the Limited Common Elements appurtenant to such Unit is taken, the Member owning such Unit shall be solely responsible for representation of his interests in connection with such condemnation. The award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof as their interests may appear, notwithstanding any provision of the Act to the contrary. If a Co-owner's entire Unit is taken by eminent domain, such Co-owner and his mortgagee shall, after acceptance of the condemnation award therefor, be divested of all interest in the Condominium Project.

(c) If all or any portion of a Common Element is taken, the condemnation proceeds relative to such taking shall be paid to the Association and the affirmative vote of more than fifty (50%) percent of the Members in number and in value at a meeting duly called shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation

proceeds shall be remitted to the Members and their respective mortgagees, as their interests may appear, in accordance with their respective Percentages of Value set forth in Article V of the Master Deed.

(d) If 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 V of the Master Deed shall be amended to reflect such taking and to proportionately readjust the Percentages of Value of the remaining members based on a continuing value for the Condominium of one hundred percent (100%). Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owners.

(e) If any Condominium Unit, 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 holder of a mortgage lien on any of the Condominium Units.

(f) If the taking of a portion of a Condominium Unit makes it impractical to build or rebuild a residential structure under the terms of these By-Laws on the partially taken Unit, then the entire undivided interest in the Common Elements appertaining to that Condominium Unit shall, with the consent of the Member owning such Unit and any mortgagee, thenceforth appertain to the remaining Condominium Units, and shall be allocated to them in proportion to their respective undivided interests in the Common Elements. The remaining portion of that Condominium Unit shall thenceforth be a Common Element. Votes in the Association of Members and liability for future expenses of administration appertaining to a Condominium Unit taken or partially taken (as provided in subsection (f) hereof) by eminent domain shall thenceforth appertain to the remaining Condominium Units, and shall be allocated to them in proportion to their relative voting strength by value in the Association.

(g) Except as otherwise provided under this Article VI, Section 4, any taking by eminent domain shall be governed by Section 133 of the Act.

Section 5. Construction Liens. The following provisions shall control the circumstances under which construction liens may be applied against the Condominium or any Unit thereof:

(a) Except as provided below, a construction lien for work performed on a Condominium Unit or upon a Limited Common Element may attach only to the Unit upon or for the benefit of which the work was performed.

(b) A construction lien for work authorized by the Developer and performed upon the Common Elements may attach only to Units owned by the Developer at the time of recording of the claim of lien.

(c) A construction lien for work authorized by the Association may attach to each Unit only to the proportional extent that the Member owning the Unit is required to contribute to the expenses of administration as provided by the Condominium Documents.

(d) A construction lien may not arise or attach to a Unit for work performed on the Common Elements not contracted for by the Developer or the Association.

If a Member is advised or otherwise learns of a purported construction lien contrary to the foregoing, he shall immediately notify the Board of Directors. Upon learning of the purported construction lien, the Board shall take appropriate measures to remove any cloud on the title of Units improperly affected thereby.

Section 6. Notice to FHLMC. If any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), then the Association shall give FHLMC written notice to 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 Ten Thousand Dollars (\$10,000.00) in amount.

Section 7. Mortgagees. Nothing contained in the Condominium Documents shall be construed to give a Co-owner, or any other party, priority over any rights of 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, Common Elements, or both.

-ARTICLE v11-

ARCHITECTURAL CONTROL AND

PUBLIC HEALTH REQUIREMENTS

Section I. Design Review and Approval. No improvement, of any kind, including without limitation, any building, fence, wall, mail box, swimming pool, tennis court, screen enclosure, well, sewer, drain, disposal system, decorative building, grading, landscape device or object, or other improvement shall be commenced, constructed, erected, placed made or maintained upon any Unit or within the Limited Common Elements appurtenant to such Unit, nor shall any addition, change or alteration therein or thereof be made, unless and until the colors, materials, plans, specifications and location of the same shall have been submitted to, and approved in writing by, the Design Review Committee, as described in Section 2, below. All colors, materials, plans and specifications shall be evaluated as to harmony of external design and location in relation to surrounding structures and topography and as to conformance

with the design criteria of the Design Review Committee as the same may be adopted and from time to time be amended.

Section 2. Design Review Committee. The architectural review and control functions of the Association shall be administered and performed by the Design Review Committee (the "DRC"), which shall consist of three (3) members who need not be Members of the Association. The Developer shall have the right to appoint all of the members of the DRC as long as it owns any Unit in the Condominium. To the extent the Developer relinquishes its right to appoint any members or loses the right of appointment because the Developer no longer owns any Unit, such members shall be appointed by, and shall serve at the pleasure of the Board of Directors of the Association. A majority of the DRC shall constitute a quorum to transact business at any meeting of the DRC, and the action of a majority present at a meeting at which a quorum is present shall constitute the action of the DRC. Any vacancy occurring on the DRC because of death, resignation, or other termination of service of any member shall be filled by the Board of Directors, except that the Developer, to the exclusion of the Board, shall fill any vacancy created so long as it owns any Unit.

Section 3. Powers and Duties of the DRC. The DRC shall have the following powers and duties:

- (a) To require submission to the DRC of all plans and specifications for any improvement or structure of any kind. The DRC may also require submission of samples of building materials, paints and stains proposed for use upon any Unit, and may require such additional information as reasonably may be necessary for the DRC to completely evaluate the proposed structure or improvement in accordance with these By- Laws.
- (b) To approve or deny any improvement or structure of any kind, the construction, erection, performance or placement of which is proposed upon any Unit and to approve or disapprove any exterior additions, changes, modifications or alterations therein or thereon. The DRC, shall have the right to refuse to approve any such plans or specifications, color and/or material specifications, grading or landscaping plans, or building location plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and, in passing upon such plans and specifications, it 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 be constructed, the proposed location within the Unit and the location, design, colors and materials of structures within adjoining Units and the degree of harmony thereof with the Condominium as a whole.
- (c) To establish a list of approved architects and building contractors one or more of which Co-owners will be required to use in designing, planning and constructing any and all improvements and structures within any Unit. The DRC may also require each building contractor to enter into a Builder Approval

Agreement prior to the commencement of construction which agreement shall govern the conduct and responsibilities of the building contractor during construction.

Section 4. Public Health Requirements.

(a) Public Water Supply system. The Project and each Unit will be served by a public water supply system.

(b) Public Sanitary Sewer System. The Project and each Unit will be served by a public sanitary sewage disposal system.

Section 5. Action in Writing; Expiration of Approval. The DRC's approval or disapproval as required in these covenants shall be in writing and rendered within thirty (30) days of submission of all required information. The failure of the DRC to act within that time period shall be deemed to constitute the approval of the DRC. Any approval which is granted by the DRC shall expire if substantial construction of the improvement has not been commenced within twelve (12) months after the approval is given.

Section 6. Developer Exception. No residence or improvement erected by Developer shall be subject to approval by the DRC.

Section 7. Co-owner Responsibility for Builders. All building contractors and their subcontractors and suppliers shall be deemed the agents of the Co-owners employing their services and such Co-owners shall be fully responsible for their actions, including any damage to the Common Elements and/or Units in the Project .

-ARTICLE VIII-

BUILDING. USE AND OCCUPANCY RESTRICTIONS: ENFORCEMENT

Section 1. Establishment of Restrictions. In order to provide for congenial occupancy of the Condominium, and for the protection of the value of the Units, the development and use of the Units and the Condominium shall be subject to the following limitations:

(a) No Unit shall be used for other than single-family residential purposes (except that other persons may occupy a Unit with the written consent of the Board of Directors, which consent shall not be unreasonably withheld) and the Common Elements shall be used only for purposes consistent with the use of single-family residences. A "family" shall be as defined in the Plainfield Charter Township Zoning Ordinance.

(b) No building shall be erected, altered, placed or permitted to remain within any Unit other than 0116 single-family residence not to exceed thirty-five (35) feet or two and one-half (2-1/2) stories in height, whichever is lesser, and, prior to occupancy, each Unit shall also contain a private garage for not more than four

(4) or less than two (2) cars. An additional garage separate from the residence may be permitted with the approved of the DRC if it is architecturally and aesthetically compatible with the residence, but the granting of permission in one or more cases will not require the granting of permission in any other cases.. A11 buildings shall be constructed at a location approved by the DRC but in no event closer than the minimum set back requirements established by Plainfield Charter Township. In addition, no buildings may be constructed within any easements set forth on the Condominium Subdivision Plan attached to the Master Deed as Exhibit B.

(c) The total finished floor area of any residence to be erected within any Unit, exclusive of garages, breezeways and open porches, shall be as follows: a) not less than 1400 square feet in the case of a one-story structure, including tri-levels and split levels (however, only the floor area of the top two levels shall be included in a tri-level or split level structure), and b) not less than 1800 square feet in the case of a 1-1/2 or more story structure. Finished basement areas and/or walkout levels shall be in addition to the minimum square footage requirements of this Paragraph.

(d) Any residence, garage or other building constructed within a Unit shall be constructed of new material only. Approved materials include brick, brick veneer, steel, stone, stucco or frame or any combination thereof. Every building must have a finished exterior. All exterior foundation walls shall be of brick, brick veneer, steel, stone, stucco. or wood siding or any combination thereof. Concrete block or tile construction above grade level is prohibited unless the exterior surface is covered with an approved material. Exterior walls of used brick are permissible. Aluminum siding and vinyl siding are permissible with the approval of the DRC but the granting of permission in one or more cases will not require the granting of permission in any other cases.

(e) All driveways, driving approaches and off-street parking areas shall be surfaced with asphalt or concrete pavement prior to occupancy of the residence within any Unit. All parking shall be provided within a Unit, at each residence. On-street parking is prohibited. Sidewalks shall be constructed on all Units prior to occupancy of the residence within the Unit

(f) A11 construction within any Unit, once commenced, shall be completed and ready for use and occupancy for its intended purpose within 18 months after the date of the commencement of construction. All landscaping shall be completed within three (3) months after occupancy of the residence if occupancy first occurs between April 1 and September 30 of any year, and within six (6) months alter occupancy in all other cases. Landscaping shall include (at a minimum) a complete seeded lawn.

(g) No Co-owner shall make any alterations, modification or improvements to any General Common Element from the way it was originally constructed by the Developer, including, without limitation, installing landscaping devices or objects

or erecting antennas, lights, aerials, recreational devices, flag poles or other exterior attachments or modifications.

(h) No immoral, improper, unlawful or offensive activity shall be carried on within any Unit or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the other Co-owners, nor shall any unreasonably noisy activity be carried on in any Unit or on the Common Elements. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the insurance rate on the Condominium without the written approval of the Association. Each Member who is the cause thereof shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

(i) Neither the Limited nor the General Common Elements shall be used to store supplies, materials, personal property, trash or refuse of any kind and all Units and the Limited Common Elements appurtenant thereto shall be maintained free of any trash, garbage or rubbish of any kind. Trash receptacles shall be maintained inside garages or similar areas and shall not be permitted anywhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit the periodic collection of trash. Neither the exterior of any Unit nor any Common Element shall be used in any way for the drying, shaking or airing of clothing or other fabrics, provided, however, such activities may be permitted if conducted within the Unit and fully screened from the Common Elements and other Units. Automobiles may not be washed in any areas of the Condominium except on driveways. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in his Unit or upon the Common Elements, which spoils or impairs the appearance of the Condominium.

G) Yard areas within occupied Units must be adequately watered and neatly maintained with grass, weeds and other vegetation cut and without accumulation of natural or other debris. Vacant Units may be maintained in their natural condition until commencement of the first construction of an improvement within the Unit. Without written approval by the DRC, no Co-owner shall change in any way the exterior appearance of the residence and other improvements and appurtenances located within his Unit or the yard area appurtenant thereto. Thus, in connection with any maintenance, repair, replacement, decoration or redecoration of such residence, improvements or appurtenances, no Co-owner shall modify the design, material or color of any such item including, without limitation, windows, doors, screens, roofs, siding or any other component of any building, or other structure which is visible from a Common Element or other Unit without DRC approval.

(k) Sidewalks, landscaped areas, driveways, roads, parking areas, and in general, all of the General Common Elements, shall not be obstructed in any

way nor shall they be used for purposes other than those for which they are reasonably and obviously intended. Use of any recreational facilities in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations.

(l) , No hunting, target shooting or the firing or discharge of bows and arrows, firearms, air guns, illegal fireworks or other similar projectiles, explosives or devices shall be allowed on the Condominium Premises.

(m) No signs or other advertising devices shall be displayed which are visible from the exterior of a residential dwelling or on the Common Elements, without written permission from the Association, except as permitted to the Developer in Subsection (bb) hereof, and except: a) one sign per Unit of not more than five (5) square feet advertising the Unit for sale or rent, or b) one sign of not more than eight (8) square feet used by builders and their subcontractors to advertise the property during the construction and sales period.

(n) No animal shall be kept except common household pets. Such pets may not be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No more than two (2) such household pets may be kept in any Unit without written permission of the Board of Directors.

(o) No trucks, house trailers, commercial vehicles, camping trailers, motor homes, boats, boat trailers, snowmobiles, snowmobile trailers, or other trailers or other recreational vehicles or equipment may be parked or stored upon the Condominium Premises or on any Unit unless parked or stored in the garage, except as provided in this Subsection. No automobiles shall be parked overnight except in or immediately adjacent to the garage. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. Campers, camping trailers, motor homes and similar vehicles may not be parked at the Condominium for a period exceeding thirty-six (36) consecutive hours or for more than a total of seventy-two (72) hours during any thirty (30) day period and only while being loaded or unloaded, except with the express written approval of the Board of Directors or its designee. Each Co-owner shall, if the Association shall require, register all vehicles maintained in the Condominium with the Association. No inoperable vehicle of any type may be stored upon the Condominium either temporarily or permanently.

(p) 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 or occupant thereof as may be necessary to carry out any responsibilities imposed on the Association by the Condominium Documents. The Association or its agents shall also have access to Units and Limited Common Elements appurtenant

thereto as may be necessary to respond to emergencies. 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 Unit and any Limited Common Elements appurtenant thereto caused thereby. This provision, in and of itself, shall not be construed to permit access to the interiors of residences or other structures.

(q) Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. 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 his 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 V hereof.

(r) The Developer and the Association shall have the right to care for Units which are not maintained as required under these By-Laws and do any other things and perform any labor necessary or desirable in the judgment of the Developer or the Association to keep the Unit, and the Limited Common Elements appurtenant thereto, neat and in good order. The Association shall further have the right to repair any structure or improvement on any Unit which constitutes a danger or nuisance or is in disrepair provided that the Co-owner is given no less than 15 days notice of the Association's intent to do so which reasonably specifies the proposed action. All costs so incurred may be assessed to and collected from the responsible Co-owner in the manner provided in Article V hereof. The DRC may adopt rules for the maintenance of any Unit during construction.

(s) No structure separate from the residence or the garage shall be erected within any Unit without the approval of the DRC.

(t) No exterior antenna or aerial of any kind may be erected or maintained anywhere within any Unit or the Condominium Premises, provided, however, television reception dishes may be installed if screened from the Common Elements and other Units. However, no such screening shall be required if the television reception dish does not exceed twenty inches (20") in diameter.

(u) No easements shall be granted by any Co-owner without the express written approval of the Association.

(v) No anti-freeze, gasoline, oil, grease or other petroleum products or other pollutants from motor vehicles shall be dumped or disposed of anywhere within the Condominium.

(w) No structure of a temporary character, or outbuilding, including trailer, basement, tent, shack, garage or barn shall be used on any Unit at any time as a residence, either temporarily or permanently, provided that Developer may use such structures for purposes of a construction or sales office.

(x) There shall be no solicitation by any person anywhere in the Condominiums for any cause, charity, or any purpose whatsoever unless specifically authorized by the Board of Directors.

(y) Except as may be initially installed by Developer, no spotlights, floodlights or similar type high intensity lighting shall be placed or utilized upon any Unit which in any way will allow light to be reflected on any other Unit or the improvements thereon or upon any common areas or any part thereof without the written authorization of the DRC. Other types of low intensity lighting which do not disturb the Co-owners or other occupants of the Condominium shall be allowed with the approval of the DRC.

(z) No above ground swimming pools shall be constructed or maintained without DRC approval. All swimming pools must be screen enclosed or fenced.

(aa) Reasonable regulations consistent with the Act, the Master Deed and these By-Laws, concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the Board of Directors established in the Articles of Incorporation (and its successors). Copies of all such regulations and amendments thereto shall be furnished to all Members and shall become effective ten (10) days after mailing or delivery thereof to the designated voting representative of each member. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than sixty percent (60%) of all Members in number and in value at any duly convened meeting of the Association, except that the Members may not revoke any regulation or amendment prior to the first meeting of the Association.

(bb) None of the restrictions contained in this Article VIII shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Development and Sales Period as herein defined, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation and By-Laws as the same may be amended from time to time. Until all Units that may be created in the Condominium have been sold by Developer, Developer shall have the right to maintain a sales office, a business

office, a construction office, model Units, storage areas, 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.

(cc) No off-road vehicles including, but not limited to, motorcycles, motorbikes, snowmobiles and all-terrain vehicles, may be driven or operated within the Condominium except when using the private roads and driveways located within the General Common Elements for purposes of ingress and egress to and from a Unit to a public road.

(dd) Except as reasonably necessary to provide access to the residence and garage constructed on a Unit, no additional paved, stone or concrete driveways or walkways shall be constructed within any Unit which will create any material increase in the water run off or erosion on a Unit, without the prior written approval of the DRC.

(ee) No trees four (4) inches or more in diameter (measured at a point 36 inches above ground level) shall be removed from any Unit within the Condominium, except as may be reasonably necessary for building foundations, driveways and other related improvements, without the prior written approval of the DRC.

(ff) During construction, a dumpster shall be maintained on the Unit where all construction debris shall be kept. The dumpster shall be promptly emptied when full. In all other respects, the Unit and adjacent areas shall be kept clear of waste materials, rubbish and debris during construction and all materials and equipment shall be immediately removed from the Unit upon completion of construction. Upon the Co-owner's failure to comply with the provisions of this subsection within five (5) days after written notice from the Association, the Association may take such action as it deems reasonably necessary to correct such failure. All costs so incurred (together with a reasonable service fee) may be assessed to and collected from the responsible Co-owner in the manner provided in Article V, hereof

(Gg) The portions of the perimeter of the Project designated on the Condominium Subdivision Plan as "Natural Buffer and Preserve Area" shall be maintained in a natural state except for: (i) the removal only of diseased or dead vegetation and noxious weeds (e.g., poison ivy), (ii) such modifications as may be necessary for the development, construction, installation, maintenance, repair and replacement of the improvements shown on the Condominium Subdivision Plan; (iii) such modifications as may be made by Me Developer or the Association to facilitate drainage.

Section 2. Variances. The DRC may, upon a showing of practical difficulty or other good cause, grant variances from the restrictions and requirements of Section 1 of this Article VIII, but only to Me extent and in such a manner as not to violate the spirit and intent of such restrictions and requirements.

Section 3. Enforcement. Failure to comply with any of the terms of the Act, the Master Deed, these Condominium By-Laws, the Articles of Incorporation, By-Laws or Rules and Regulations of the Association, shall be grounds for relief, which may include, without limitation, an action to recover sums due for such damages, injunctive relief, and any other remedy that may be appropriate to the nature of the breach. In addition, the Association may impose fines for violations of these By-Laws which, if not paid, may be assessed and collected in the manner provided under Article V hereof. The failure of the Association to enforce any right, provision, covenant or condition which may be granted by the Act, the Master Deed, these By-Laws, the Articles of Incorporation, By-Laws or Rules and Regulations of the Association, shall not constitute a waiver of the right of the Association to enforce such right, provisions, covenant or condition in the future.

Section 4. Compliance with Codes and Ordinances. In addition to the construction and use requirements of this Article VIII, all buildings and other structures must comply with the applicable Plainfield Charter Township building, mechanical, electrical and plumbing codes in effect at the time such building or other structure is erected. The use of any Unit and the construction and use of any building or other structure erected on any Unit must also comply with the requirements of Plainfield Charter Township zoning ordinance in effect at the time of the contemplated construction or use unless a variance for such construction or use is first obtained from the Zoning Board of Appeals of Plainfield Charter Township.

Section 5. Township Liability for Road. Plainfield Charter Township shall have no obligation for the construction, maintenance, repair or replacement of the private road within the Project. The Association and each Co-owner, by their acceptance of a deed to a Unit, agree to indemnify and save and hold Plainfield Charter Township harmless from all claims for personal injury and/or property damage arising out of the failure to properly construct, maintain, repair and replace the private road.

-ARTICLE IX-

MAINTENANCE OF COMMUNITY INTERESTS

In order to maintain a community of congenial residents who are financially responsible and thus protect the value of the Units, the transfer and rental of Units by any Co-owner other than the Developer shall be subject to the following provisions as long as the Association exists, which provisions each Co-owner covenants to observe:

Section 1. Ownership, Transfer and Lease. Units may be owned by one or more natural persons or legal entities. All Co-owners of Units must be accepted as a Member by the Association pursuant to the Association's By-Laws. Ownership by a fiduciary or legal entity may be conditioned upon occupancy by a designated individual. Ownership of any interest in any Unit or change in the permanent occupancy of a Unit may not be transferred except in accordance with this Article and the Association's By-Laws and upon not less than thirty (30) days prior written notice

to the Association. Such notice shall include the name and address of the purchaser, transferee or tenant and the terms of sale, transfer or lease.

Section 2. Additional Restriction on Leasing. All non-owner occupants shall comply with all of the conditions of the Condominium Documents and all of the provisions of the Act, and all leases and rental agreements shall so state. If the Developer desires to rent or lease a Unit before the Transitional Control Date, it shall notify either the Advisory Committee or each Co-owner in writing.

No Co-owner shall lease less than an entire Unit in the Condominium without the consent of the Association and no tenant of a Unit shall be permitted to occupy a Unit, except under a written lease or rental agreement provided for in these By-Laws. No lease or other rental agreement shall provide for a term of less than ninety (90) days without the prior written approval of the Association. The Board may, except to the extent prohibited by law, require a Member to obtain and turn over to the Board a security deposit before allowing any tenant or new Member to occupy a Unit.

Section 3. Non-Owner Compliance.

(a) All non-owner occupants shall comply with all of the terms and conditions of the Condominium Documents and the provisions of the Act.

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

(i) The Association shall advise the appropriate Co-owner by certified mail of the alleged violation by a person occupying his Unit.

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

(iii) If after fifteen (15) days the Association believes that the alleged breach has not been cured or may be repeated, it may institute on its behalf; or derivatively by the members on behalf of the Association if it is under the control of the Developer, an action for eviction against the non-owner occupant and, simultaneously, for money damages against the Co-owner and non-owner occupant for breach of the conditions of the Condominium Documents or of the Act. The relief set forth in this section may be by any appropriate proceeding. The Association may hold both the non-owner occupant and the Co-owner liable for any damages caused to the Condominium.

(c) 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, will 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 will not constitute a breach of the rental agreement or lease by the tenant.

Section 4. Waiver of Enforcement. Notwithstanding the provision of Article XII hereof failure of the Association or Board of Directors to enforce the provisions of this Article IX by institution of an action for relief within one (1) year from the date of sale, lease or other transfer, shall constitute a waiver of the Association's rights to enforce the provisions of this Article.

-ARTICLE X-

MORTGAGES

Section 1. Mortgage of Units. No Member owning any Unit may mortgage his Unit or any interest therein to any lender except a bank, pension fund, insurance company, savings and loan association, credit union or other institutional lender, without the prior written approval of the Board of Directors. The approval of any other mortgagee may be arbitrarily withheld; provided, that nothing herein shall be construed to prevent the Developer from accepting a land contract, or a purchase money mortgage as a part of the purchase price of a Unit, nor prevent a Member from accepting a purchase money mortgage from a subsequent approved purchaser.

Section 2. Notice of Mortgage. A Member who mortgages a Unit shall notify the Association of the name and address of his mortgagee and shall file a conformed copy of the mortgage with the Association, which shall maintain such information in a book entitled "Mortgagee Book."

Section 3. Notice of Default. The Association shall, upon the written request of the holder of any mortgage covering any Unit, give written notification to such mortgage holder of any default in the performance of the obligations of the Member owning such Unit that is not cured within sixty (60) days.

Section 4. Notice of 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 5. Notice of Meetings. Upon request submitted to the Association, any institutional holder of a 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 6. Acquisition of Title by Mortgagee. As provided in Article V, Section 6, any first mortgagee who obtains title to a Unit pursuant to the remedies provided in the

mortgage, or a deed in lieu thereof, shall not be liable for such Unit's unpaid assessments which accrue prior to acquisition of title by die first mortgagee.

-ARTICLE XI-

AMENDMENTS

Section 1. Proposal. Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon the vote of a majority of the Directors or by one- fifth (1/5th) or more in number of the Members by an instrument in writing signed by them.

Section 2. Meeting to be Held. If such an amendment is proposed, a meeting for consideration of the same may be called in accordance with the provisions of the Condominium Documents.

Section 3. Vote and Consent Required. These Condominium By-Laws may be amended in the same manner and for the same purposes as required for amendments under Article VII of the Master Deed.

Section 4. Amendments Concerning Leases. Provisions in these By-Laws relating to the ability or terms under which a Member may rent his Unit may not be modified and amended without the consent of each affected Member and mortgagee.

Section 5. Effective Date. Any amendment to these By-Laws (but not the Association By-Laws) shall become effective upon the recording of such amendment in the Office of the Register of Deeds in Kent County, Michigan.

Section 6. Costs of Amendments. Any person causing or requesting an amendment to these Condominium By~Laws shall be responsible for the costs and expenses of considering, adopting, preparing and recording such amendment, provided, however, that such costs and expenses relating to amendments adopted pursuant to Article XI, Section 3, or pursuant to a decision of the Advisory Committee, shall be expenses of administration.

Section 7. Notice; Copies of Amendment. Members and mortgagees of record of Condominium Units shall be notified of proposed amendments not less than ten (10) days before the amendment is recorded. A copy of each amendment to these Condominium By-Laws shall be furnished to every member after recording, provided, however, that any amendment to these By~ Laws that is adopted in accordance with this Article or the Act 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 XII-

REMEDIES FOR DEFAULT

Section 1. Relief Available. Any default by a Member shall entitle the Association or another Member or Members to the following relief:

(a) Failure to comply with any of the terms or conditions of the Condominium Documents shall be grounds for relief, which may include, without limitation, an action to recover sums due for damages, for injunctive relief, for foreclosure of lien (if in default in payment of an assessment) or any combination thereof, and such relief may be sought by the Association, or, if appropriate, by an aggrieved Member or Members. .

(b) In any proceeding arising because of an alleged default by any Member, 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 member be entitled to recover such attorneys' fees.

(c) Such other reasonable remedies as provided in the rules and regulations promulgated by the Board of Directors, including without limitation, the levying of fines against Members after notice and opportunity for hearing, as provided in the Association rules and regulations, and the imposition of late charges for nonpayment of assessments.

(d) 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, where reasonably necessary, upon the Limited or General Common Elements, or into any Unit, and summarily remove and abate, at the expense of the violating Member, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.

Section 2. Failure to Enforce. Except as otherwise provided therein, the failure of the Association or of any Member to enforce any right, provision, covenant or condition which may be granted by due Condominium Documents shall not constitute a waiver of the right of the Association or of any such Member to enforce such right, provision, covenant or condition in the future.

Section 3. Rights Cumulative. All rights, remedies and privileges granted to the Association or any Member or Members pursuant to any terms, provisions, covenants or conditions of the 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 exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 4. Hearing. Prior to the imposition of any fine or other penalty hereunder, the offending Member shall be given a reasonable opportunity to appear before the Board

and be heard. Following any such hearing the Board shall prepare a written decision and place it in the permanent records of the Association.

-ARTICLE XII-

ARBITRATION

Section 1. Submission to Arbitration. Any dispute, claim or grievance arising out of or relating to the interpretation or application of the Master Deed, By-Laws or management agreement, if any, or to any disputes, claims or grievances arising among or between the Members or between such Members and the Association shall, upon the election and written consent of all the parties to any such dispute, claim or grievance, and written notice to the Association, be submitted to arbitration, and the parties thereto shall accept the arbiter's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association, as amended and in effect from time to time hereafter, shall be applicable to such arbitration.

The arbiter may be either an attorney acceptable to both parties or a panel of three (3) individuals, at least one (1) of whom shall be an attorney. The panel shall be composed of one (1) individual appointed by the Member and one (1) individual appointed by the Board of Directors of the Association. These two panelists will then promptly agree on the third member of the panel. No Member who is a natural person may appoint himself or a member of his household to the panel. No corporate Member may appoint one of its directors, officers, or employees to the panel. Neither may a Member serve on behalf of the Board.

The arbitration costs shall be borne by the losing party to the arbitration. The arbiter may require a reasonable deposit to ensure payment of costs. Such deposit shall be placed in escrow in the name of the arbiter as trustee in the name of the matter at issue.

Section 2. Effect of Election. Election by Members or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts. Any appeal from an arbitration award shall be deemed a statutory appeal.

Section 3. Preservation of Rights. No Member shall be precluded from petitioning the courts to resolve any dispute, claim or grievance in the absence of election to arbitrate.

-ARTICLE XIV-

SEVERABILITY

If any of the terms, provisions, or covenants of these By-Laws 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 covenants held to be partially invalid or unenforceable.

-ARTICLE XV-

CONFLICTING PROVISIONS

In the event of a conflict between the provisions of the Act (or other laws of the State of Michigan) and any Condominium Document, the Act (or other laws of the State of Michigan) shall govern. In the event of any conflict between the provisions of any one or more Condominium Documents, the following order of priority shall prevail and the provisions of the Condominium Document having the highest priority shall govern:

- (1) The Master Deed, including the Condominium Subdivision Plan,
- (2) These Condominium By-Laws,
- (3) The Articles of Incorporation of the Association,
- (4) The By-Laws of the Association, and
- (5) The Rules and Regulations of the Association.

-ARTICLE XVI-

CAPTIONS

The captions contained in these Condominium By-Laws are for convenient reference only, and do not add to or detract from nor in any way expand or limit the content of the Articles and Sections set forth herein.