

FOR INFORMATIONAL PURPOSES ONLY
CONTACT THE WBE BOARD OF DIRECTORS FOR
OFFICIAL DOCUMENTS

Exhibit A to Restated and Amended Master Deed
WALNUT BROOK ESTATES
BYLAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

Walnut Brook Estates, a residential Condominium Project located in the City of Rochester Hills, Oakland County, Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

ARTICLE II

RESTRICTIONS

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

Section 1. Residential Use. No Unit in the Condominium shall be used for other than single-family residential purposes and the Common Elements shall be used only for purposes consistent with single-family residential use. No building of any kind shall be erected within a

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Unit except private residences and structures ancillary thereto. Only one residence may be erected within any Unit.

Section 2. Architectural Control. The purpose of the Architectural Control Process is to assure that the entire community is developed and maintained in a beautiful and professional manner. No building, structure or other improvement shall be erected, constructed or permitted to remain on any Condominium Unit or elsewhere within the Condominium Project unless the building, structure or improvement has been approved by the Developer in accordance with paragraph A of this Section 2 and also complies with the remaining restrictions and requirements of this Article II, unless any non-compliance has been waived pursuant to paragraph E of this Section 2. All improvements and landscaping shall be constructed and installed by a pre-approved builder, landscaper and other major contractors selected by the Developer unless Developer, in its sole discretion, agrees to and approves of a licensed builder, landscaper or major contractor prior to the construction of any improvements. The Developer reserves the right to establish and to maintain a construction management program with builders, landscapers and other major contractors performing construction activities in the Project. The purpose for establishing such a program will be to promote high quality residences through regulating construction activities and pre-approving construction firms. The fee charged by the Developer for such management service shall be due and payable by the builders, landscapers and major contractors and shall in part be used to defray the costs of administering the Architectural Control Process.

A. Review Procedure; Submission Requirements. The Developer intends that all buildings, structures and improvements constructed within any Condominium Unit or otherwise within the Condominium be designed, developed and constructed so as to be harmonious, complimentary and dignified, all to the end that the Condominium as developed and improved constitutes and provides a refined and exclusive environment of the highest architectural, construction and aesthetic standards. In order to accomplish such end, the Developer hereby reserves the right to approve, disapprove and otherwise pass upon the design, appearance, construction or other attributes of any building, structure or improvement proposed to be constructed or maintained on a Condominium Unit, and no building, structure or improvement shall be permitted or allowed with respect to a Unit without the prior written approval of the Developer pursuant to the terms and conditions of this Section 2.

(1) A three step submittal process must be followed for obtaining the approval of the Developer for any building, structure or improvement to be erected, constructed, maintained or rebuilt on any Unit or Limited Common Element Yard Area. The Developer's written approval upon satisfactory completion of all three steps must be obtained before construction of any structure or improvement may be started. If appropriate, the Developer may waive the procedure in order to expedite the review procedure, although in no event shall the Developer be obligated to waive the procedure.

(a) **Concept Submission.** All serious design should start only after completion of a topographic site survey which accurately depicts the natural features of the Homesite including all trees exceeding three (3) inches in diameter at eye level. A conceptual plan for the residence shall then be prepared by a licensed architect including elevation drawings for the front and rear of the structure, a preliminary floor plan, an indication of the color and type of exterior materials and a preliminary dimensioned site plan superimposed over the topographic site survey showing the location of all improvements on the Homesite.

(b) **Preliminary Submission.** Once the concept submission has been approved,

additional materials shall be prepared for the second step of the approval process, including detailed elevation drawings for all sides of the proposed structure, samples of exterior colors and materials, a dimensioned floor plan, a site plan and a preliminary landscape plan showing finish grades, plantings, lawn areas and lighting. In addition, the location of the proposed structure and improvements shall be staked on the Homesite to allow for field review.

(c) **Final Approval.** Once the preliminary submission has been approved, the Owner may apply to the Developer for final approval. Four copies of each of the following shall be submitted.

- A floor plan prepared by a licensed architect.
- Architectural drawings for all elements of the structure prepared by a licensed architect.
- A final landscape plan prepared by a registered landscape architect showing which trees will be removed and which will be preserved. A site plan prepared by a licensed architect or engineer showing existing and proposed grades, the location of all trees in excess of three (3) inches in diameter at eye level and the proposed location of all structures and improvements with dimensions to site boundaries.
- A construction schedule.
- Final color and exterior material selections and samples.

No approval shall be effective unless given by the Developer in writing. If a structure, improvement or any aspect or feature thereof is not in strict conformity with the requirements or restrictions set forth in this Section 2, any such nonconformity shall be permitted only if it is specifically mentioned as such in the submissions to the Developer, and the Developer specifically approves or waives the same in writing.

(2) No alteration, modification, substitution or other variance from the designs, plans, specifications and other submission materials which have been approved by the Developer shall be permitted unless the Owner thereof obtains the Developer's written approval for such variation. So long as any such variance is minimal, the Owner need not go through the entire submittal process described in paragraph 1 of this Section 2, but in any event the Owner must submit sufficient information (including, without limitation, material samples) as the Developer determines in its sole discretion is required to assist the Developer's decision whether or not to approve the variance. The Developer's approval of any variance must be obtained irrespective of the fact that the need for the variance arises for reasons beyond the Owner's control (e.g., material shortages).

(3) In making any of the written submissions contemplated in this Section, the Owner shall submit four (4) copies of each set of plans and documents required to be submitted to the Developer. Two copies shall be returned to the Owner after the Developer has approved or disapproved the submission, and the other two copies shall be retained by the Developer for its files.

(4) The Developer reserves the right to assign, delegate or otherwise transfer its rights and powers of approval as provided herein, including without limitation an assignment of such rights and powers, to the Association.

B. Architectural Requirements.

(1) *As Amended by BOD 12/3/2002*) Each residence is to contain a minimum livable floor area on Lots 8 through 68 of 3,200 square feet for a ranch style home, 3,700 square feet for a one and one-half story style home, and 4,200 square feet for a two-story. For Lots 2 through 7 and 70 through 75, 3,500 square feet for a ranch, 4,000 square feet for a one and one-half story, and 5,000 for a two-story home. Lots 1 and 67 through 97 will have a minimum of 4,000 square feet for a ranch, 4,500 square feet for a one and one-half story, and 5,500 square feet for a two-story home. For purposes of this paragraph, garages, patios, decks, open porches, entrance porches, terraces, basements, lower levels

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(2) and like areas shall be excluded in determining the livable floor area whether or not they are attached to the main dwelling. Enclosed porches shall be included in determining the livable floor area only if the roof of the porch forms an integral part of the roof line of the main dwelling. Except as explicitly permitted herein, no dwelling shall be erected, altered, placed, or permitted to remain on any Unit other than one (1) detached single-family dwelling not to exceed two (2) stories in height, which shall include an attached garage and other such accessory structure as the Developer may approve in writing. All residences shall include a side entry garage with the garage entrance located on the opposite side of the typical approach direction to a residence. All garages shall accommodate at least three cars and larger garages are encouraged. Front entry garages are not permitted. Front entry garages are not permitted.

(3) No building, structure or improvement shall be placed, erected, altered or located on any Homesite nearer to the front, side or rear lot line than is permitted by the ordinances of the City of Rochester Hills at the time the same is erected. In addition, any dwelling or building shall meet the following setback requirements:

- (a) Front yard setbacks—a minimum of thirty-five (35) feet;
- (b) Side yard setbacks—a minimum of ten (10) feet; and
- (c) Rear yard setbacks—a minimum of thirty-five (35) feet.

The Developer shall have the right (but not any obligation) to permit setbacks less than those established above if in its sole discretion the grade, soil or other physical conditions pertaining to a Unit justify such a variance and the City of Rochester Hills approves the same. The Developer shall also have the right in its sole discretion to modify the above setbacks when and if Unit boundaries are reconfigured.

(3) The exterior of all buildings must be primarily brick or stone (but no yellow, green, white or off-white brick shall be allowed). No aluminum or vinyl siding or metal windows may be used in any dwelling, building or other structure. No Texture 1-11 may be used on the exterior of any structure. No structure of a temporary character shall be placed upon any Unit at any time.

(4) A residence shall not be substantially similar in exterior design and appearance to any other residence within the development which has received Architectural Control approval. The primary basis for determination of similarity will be proportion and massing of architectural elements, location and style of windows and front entrance areas, rooflines, and exterior colors and materials.

(5) All driveways shall be paved with asphalt, brick pavers or dark tinted exposed aggregate concrete, and shall be completed prior to occupancy. Standard concrete driveways are prohibited. No front entrance garages shall be erected or maintained, and all garages shall be attached to the main dwelling. The Developer shall have the sole and conclusive authority to determine what constitutes a front entrance garage. No driveway for a Unit shall be located within ten (10) feet of a side lot line of the Unit from the point at which the driveway intersects the Road to a point twenty (20) feet into the Unit, except that the Developer may direct that a driveway be located within such area when the existing landscaping so dictates in the Developer's sole judgment. Garages shall be located on the opposite side of the typical approach direction to a Unit. All garage doors shall be operated with automatic garage door openers.

(6) Each Unit and surrounding Limited Common Element Yard Area must be landscaped within the time limits set forth in paragraph C of this Section 2. Plans submitted must include reasonably mature landscaping and the Developer shall have the right to determine the reasonable value of the landscaping.

(7) No above-ground swimming pools shall be erected or maintained on any Unit or surrounding Limited Common Element Yard Area. The size, configuration, location and exterior appearance of any in-ground swimming pool shall be subject to the Developer's prior written approval.

(8) No fence, wall or hedge of any kind shall be erected or maintained on any Unit without the prior written approval of the Developer. No fence, wall or hedge shall be located nearer to any front Homesite than is permitted for dwellings under subparagraph (2) of this paragraph B. No fence, wall or hedge shall be maintained or erected along a HomeSite's boundaries or which blocks or hinders vision at street intersections. No chain link fences shall be permitted on any Unit or surrounding Limited Common Element Yard Area.

9. *(As Amended by BOD 12/3/2002)* All chimneys are to be enclosed by brick, stone, or dryvit and will have a clay pot top or similar high quality top which needs to be approved by the

Developer. Uniqueness in chimney

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design is strongly encouraged. Any other type of chimney needs to be approved by the Developer. Chimneys will only be approved as long as a clay pot or pots will be installed on it. The clay pots must be installed immediately after completion of brick, stone, and dryvit.

10. Generally, no dog kennels or runs shall be permitted due to their unattractive appearance and opportunity for annoyance to the community, unless approved in writing by the Developer in exceptional circumstances.

(11) No single-level flat roofs shall be permitted on the entire main body of any dwelling, building or other structure, including outbuildings. Flat roofs may be installed over Florida rooms, porches or patios, and tasteful flat roofs may be installed on multiple levels of a

dwelling, but only if the same are approved by the Developer. The pitch of any proposed roof shall be depicted on plans submitted to the Developer and the degree of pitch acceptable shall be at Developer's discretion. No white or light colored roofs shall be permitted.

(12) In the course of constructing a dwelling on a Unit, the Owner shall erect and thereafter maintain at his or her own cost a low pressure sodium vapor street light or lamp post to provide lighting in front of the Unit. The size, color, location, configuration, style, illuminative power and power source of the street light or lamp post shall be specified by the Developer in order to insure consistency and uniformity within the Condominium. All such lights shall be directed towards the ground. After initial construction, the Owner shall maintain such street light or lamp post in good working order and of excellent appearance, which obligation shall include the cost of any utilities attendant to the street light or lamp post. Such street light or lamp shall remain lit between the hours of dusk and dawn and shall be controlled by a photocell automatic switch.

(13) The size, color, style, location and other attributes of the mailbox for any residence shall be as specified by the Developer, in order to ensure consistent attractiveness within the Condominium.

(14) No external air conditioning unit shall be placed in or attached to a window or wall of any dwelling. No compressor or other component of an air conditioning system, heat pump or similar system shall be visible from the Road or adjoining Homesite. To the extent reasonably possible, external components of an air conditioning system, heat pump or like system shall be located so as to minimize any disruption or negative impact

thereof on adjoining Units in terms of noise or view. The Developer shall have conclusive authority to determine whether a system complies with the foregoing requirements.

(15) **Lamp Posts.** *(As Amended by BOD 12/3/2002)* Each homeowner will install and maintain an outdoor lamp and lamp post with the lamp controlled by an automatic photocell switch to provide subdued, consistent, and pleasing lighting throughout the community. Lamps are to be elegant and sophisticated in design, consistent with the architecture of the residence and the architectural goals of the community and are to be located within 35 feet of the street curb. Lamp size is a minimum of 28 inches high and 12 inches wide unless two or more are used. Details on the lamps and post are to be submitted to the Developer for approval and installed prior to the homeowners moving in.

(15) Included as part of the construction of a dwelling shall be a granite, limestone or similar material block containing the street address number for the Unit, the size, color, style, location and other attributes being specified by the Developer, in order to ensure consistent attractiveness throughout the Condominium.

C. Construction Activities.

(1) All construction activities must be started within one (1) month of the time specified in the construction schedule submitted to and approved by the Developer pursuant to paragraph A of this Section 2. Prior to commencement of construction the Owner must obtain all permits or approvals required by the City of Rochester Hills. Construction hours are from 8:00 A.M. to 6:00 P.M. Monday through Saturday except holidays. No construction activities are permitted during the evening or on Sundays.

(2) Once commenced, all construction activity shall be prosecuted ?&& rameA o\A

vnft\ & \ reasoTOtote d\\gesvcfc, MV& ttve. mefvrc of all dwellings and other structures must be completed as soon as practical after construction commences and in any event within twelve (12) months after such commencement, except where such completion is impossible or would result in exceptional hardship due to strikes, fires, national emergencies or natural calamities.

(3) All landscaping must be completed within ninety (90) days after *initial* occupancy of the dwelling or, in the case of speculative or unsold homes, within ninety (90) days after the exterior of the dwelling has been (or with due diligence should have been) substantially completed.

(4) Prior to the commencement of any construction activities relative to the building of a dwelling, the builder shall post with the Developer a one thousand (\$1000) dollar deposit to ensure that during and after construction the Road is maintained in a good and clean condition and free of any dirt, mud or other debris arising from construction activities and that the building site is maintained in a clear and orderly manner. The instructions for disposition of the deposit shall afford the Developer with the discretion to determine whether or not the Owner or contractor has complied with this paragraph.

(5) No dwelling may be constructed in the Condominium unless prior to the date construction commences the general contractor or builder thereof enters into an agreement in form and substance acceptable to the Developer whereby the contractor or builder agrees to (i) maintain a dumpster on the Unit during the course of construction; (ii) to deposit all trash, garbage, scraps and other disposable items therein; (iii) to keep the Unit in a sightly and clean appearance on a daily basis during the course of construction; and (iv) to remove the dumpster and all trash, garbage, scraps or other debris from the Unit upon substantial completion of the structure. The agreement shall require the contractor or builder to post as security for its obligations hereunder a deposit in the amount of one thousand (\$1,000) dollars. The location of the dumpster shall be reflected on the final site plan submitted pursuant to paragraph A of this Section, and shall be subject to the Developer's approval. The Developer intends to approve only locations which render the dumpster as unobtrusive as reasonably possible. Prior to installation of landscaping associated with the construction of a residence or other substantial landscaping, the landscaper shall post with the Developer a five hundred (\$500) dollar deposit to ensure that the roads are kept clean and that the area in the vicinity of construction is maintained in a clean and orderly manner and restored as necessary upon completion.

D. Standard for Developer's Approvals; Exculpation from Liability.

In reviewing and passing upon the plans, drawings, specifications, submissions and other matters to be approved or waived by the Developer under this Section, the Developer intends to ensure that the dwellings and other features embodied or reflected therein meet the requirements set forth in this Section; however, the Developer reserves the right to waive or modify such restrictions or requirements pursuant to paragraph E of this Section. In addition to ensuring that all dwellings comply with the requirements and restrictions of this Section 2, the Developer (or the Association, to the extent approval powers are assigned to it by the Developer) shall have the right to base its approval or disapproval of any plans, designs, specifications, submissions or other matters on such other factors, including completely aesthetic considerations, as the Developer (or the Association) in its sole discretion may determine appropriate or pertinent. The Developer currently intends to take into account the preservation of trees and of the natural setting of the Condominium in passing upon plans, designs, drawings, specifications and other submissions. Except as otherwise expressly provided herein, the Developer or the

Association, as the case may be, shall be deemed to have the broadest discretion in determining what dwellings, fences, walls, hedges or other structures will enhance the aesthetic beauty and desirability of the Condominium, or otherwise further or be consistent with the purposes for any restrictions. In no event shall either the Developer (or the agents, officers, employees or consultants thereof), or the Association have any liability whatsoever to anyone for any act or omission contemplated herein, including without limitation the approval or disapproval of plans, drawings, specifications, elevations of the dwellings, fences, walls, hedges or other structures subject thereto, whether such alleged liability is based on negligence, tort, express or implied contract, fiduciary duty or otherwise. By way of example, neither the Developer nor member of the Association shall have liability to anyone for approval of plans, specifications, structures or the like which are not in conformity with the provisions of this Section 2 or any other provision contained in the Condominium Documents, or for disapproving plans, specification, structures or the like which arguably are in conformity with the provisions hereof. In no event shall any party have the right to impose liability on, or otherwise contest judicially, the Developer or any other person for any decision of the Developer (or alleged failure of the Developer to make a decision) relative to the approval or disapproval of a structure or any aspect or other matter as to which the Developer reserves the right to approve or waive under this Master Deed. The approval of the Developer (or the Association, as the case may be) of a building, structure, improvement or other matter shall not be construed as a representation or warranty that the structure or matter is properly designed or that it is in conformity with the ordinances or other requirements of the City of Rochester Hills or any other governmental authority. Any obligation or duty to ascertain any such non-conformities, or to advise the Owner or any other person of the same (even if known), is hereby disclaimed.

E. Developer's Right to Waive or Amend Restrictions.

Notwithstanding anything herein to the contrary, the Developer reserves the right to approve any structure or activities otherwise proscribed or prohibited hereunder, or to waive any restriction or requirement provided for in this Section 2, if in the Developer's sole discretion such is appropriate in order to maintain the atmosphere, architectural harmony, appearance and value of the Condominium and the Units therein, or to relieve the Owner of a Unit or a contractor from any undue hardship or expense. In no event, however, shall the Developer be deemed to have waived or be estopped from asserting its right to require strict and full compliance with all the restrictions set forth herein, unless the Developer indicates its intent and agreement to do so in writing and, in the case of an approval of nonconforming structures, the requirements of paragraph A of this Section are met.

Section 3.Homesite Maintenance. Each Homesite and all improvements thereon, including without limitation the residence, landscaping, lawns, walks, drives, patios, decks, swimming pools and fences, shall be maintained in first class and attractive condition. Lawns shall be fertilized on a regular basis, kept neatly trimmed and free of weeds, and irrigated during dry periods. Lawn maintenance services by outside contractors shall be performed only between the hours of 8:00 A.M. to 6:00 P.M. Monday through Saturday.

Section 4. Alterations and Modifications of Common Elements. No

Co-owner shall make alterations, modifications or changes in any of the Common Elements without the express written approval of the Board of Directors, including, without limitation, the erection of antennas, lights, aerials, awnings, flag poles or other exterior attachments or modifications. Basketball hoops or backboards of a type, style and model specified or approved by the Developer may be permitted only in the back or side of a dwelling or garage, and then

only if appropriately screened by landscaping or otherwise so as not to be visible from the road and adjoining Home sites. No Co-owner shall in any way restrict access to any utility line, or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way. No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any Unit or surrounding Limited Common Element Yard Area, except that holiday decorations shall be permitted subject to the Rules and Regulations of the Association as they may from time to time be amended, unless approved in writing by the Developer.

Section 5. Activities. No immoral, improper, unlawful, noxious or offensive activity shall be carried on in any Unit or upon the Common Elements nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time and disputes among Co-owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the Association. 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 rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: Any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices, burning of trash or leaves, installation or operation of electronic insect killers or operation of flooding or other bright lights which are an annoyance to an adjacent resident.

Section 6. Protected Trees and Tree Areas. All Home sites have Limited Common Element Yard Areas surrounding the Condominium Unit which shall be protected tree areas. All Co-owners shall refrain from removing trees from protected tree areas except as provided below. No more than one-third of the trees may be removed from any Limited Common Element Yard Area. Any tree felled and all branches removed from any tree growing within a protected tree area shall be immediately concealed from sight or promptly removed from the Condominium Project by and at the expense of the Co-owner on whose Unit or appurtenant Limited Common Element such tree was located. Chemical fertilizers which constitute an undue adverse influence on the surrounding environment are prohibited unless previously approved by the Developer or the Association.

No trees measuring three (3) inches or more in diameter at eye level may be removed without the prior written approval of the Developer. Prior to commencement of construction, each Unit Owner shall submit to the Developer for its written approval, a plan for the preservation of trees in connection with the construction process. Any trees measuring three (3) inches or more in diameter at ground level which are removed or destroyed in the construction process, either intentionally or accidentally, shall be replaced with trees of the same sort and size unless the Developer waives such requirement in its sole discretion. It shall be the responsibility of each Owner of a Unit to maintain and preserve all such trees on the Unit.

Section 7. Pets. No animals, other than household pets, shall be maintained by any Co-owner. All pets shall be treated in a humane manner and shall be cared for in accordance with City of Rochester Ordinance Title 8: Public Health and Safety, Chapter 8-06. No animal may 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. All animals shall be properly licensed. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be leashed and attended by

some responsible person while on the Common Elements. No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefore. Animals shall be vaccinated against distemper, rabies and other diseases as necessary. Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No dogs may be walked throughout the Condominium without use of a "pooper scooper". No dog which barks and can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements even if permission was previously granted to maintain the pet on the premises. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article V of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the Owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the Board of Directors of the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted Rules and Regulations of the Association.

Section 8. Aesthetics. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted Rules and Regulations of the Association. No exterior radio, television aerial, antenna, satellite dish or other reception or transmission device shall be placed, constructed, altered or maintained on any Unit or surrounding Limited Common Element Yard Area without the prior written consent of the Developer, which the Developer may withhold in its sole discretion. Trash shall be stored out of sight in standard receptacles specified by the Developer, and placed at the curb for trash pickup only in the morning of the collection day. Co-owners shall contract with a single company selected by the Association in order to obtain a better rate and limit trash collection to a single day per week. Trash receptacles shall be removed as soon as possible after trash collection. If trash containers are stored outside, the storage location must be visually screened and approved by the Developer in writing. No refuse pile or other unsightly or objectionable materials shall be allowed to remain on any Homesite. Refuse, ashes, building materials, garbage or debris of any kind shall be treated in such manner as not to be offensive and visible to any other Co-owners in the Condominium. The Common Elements and Units shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. All portions of window treatments, including, but not limited to, curtains, drapes, blinds and shades, visible from the exterior of any dwelling shall be made of or lined with material which is white or off-white in color or blends with the exterior of the residence. 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 is detrimental to the appearance of the Condominium. Without written approval by the Association, no Co-owner shall change in any way the exterior appearance of the residence and other improvements and appurtenances located within his Unit. 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 which is visible from a Common Element or other Unit.

Section 9. Vehicles. No house trailers, trucks, pick-up trucks, commercial vehicles, boat trailers, aircraft, boats, camping vehicles, camping trailers, motorcycles, all-terrain vehicles, snowmobiles, passenger vans, snowmobile trailers or vehicles, other than automobiles or vehicles used primarily for general personal transportation purposes, may be parked upon the premises of the Condominium unless in garages. Passenger vehicles shall be parked in garages. Garage doors shall be kept closed. No inoperable vehicles of any type may be stored outdoors under any circumstances. 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. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the Condominium Premises. No motorcycles, snowmobiles or vehicles designed primarily for off-road use shall be used, maintained or operated in the Condominium or on its Roads. No parking on the Road, except in connection with special events, is permitted without the Association's prior approval.

Garages are to be used primarily for the parking of vehicles. Notwithstanding anything herein to the contrary, each Co-owner may store personal property owned by that Co-owner or those residing with that Co-owner in his/her garage, provided that (i) storage of any items of personality for commercial or industrial purposes or business uses is prohibited; (ii) storage of any item of personality which would violate any building, health, safety or fire code or ordinance, or cause the insurance premiums for the Unit or the Condominium to increase is prohibited; and (iii) such storage shall remain subject to all other restrictions contained herein, including the garage door closure provision hereof. Washing of vehicles which are owned by a Co-owner or those residing with that Co-owner shall be permitted by these Bylaws in the driveways of the Unit owned by that Co-owner, provided the Association shall have the right to establish reasonable rules and regulations for such washing, including the time and manner thereof.

Section 10. Advertising. No signs or other advertising devices of any kind shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Rent" and "For Sale" signs, without written permission from the Association and, during the Sales and Development Period, from the Developer except as follows: During the construction of a dwelling, the Developer may permit one sign to be erected on the Unit so as to identify the Unit number, the name of the builder and the address of the Unit, but only if the Developer provides written authority for the erection of the sign. The Developer may withhold such authority in its sole discretion. The size, location, color and content of any sign permitted by the Developer shall be as specified by the Developer.

Section 11. Rules and Regulations. It is intended that the Board of Directors of the Association may make Rules and Regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners.

Section 12. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may

be necessary 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.

Section 13. Snow Plowing and/or Shoveling. The Association shall, if not handled by the City, contract for the removal of snow from asphalt areas located within General Common Element areas excepting for any approach for an individual driveway servicing a residential structure on a Condominium Unit. Such snow removal may not be done at times that the snow accumulation is considered by Developer or the Association to be of any amount as not to cause vehicular traffic any substantial difficulty.

Individual Condominium Owners desiring their respective driveways plowed by the same contractor plowing the Road shall contact such snow plowing contractor(s) individually and directly and such Condominium Owner shall be solely responsible for any cost or expense incurred for such individual driveway snow plowing. The Association may, in its discretion, coordinate such private snow plowing activities if it, in its sole discretion, deems it appropriate.

Section 14. Common Element Maintenance. Sidewalks (if any), yards, landscaped areas, driveways, and parking areas shall not be obstructed nor shall they be used for purposes other than that for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions may be left unattended on or about the Common Elements.

Section 15. Co-owner Maintenance. 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.

Section 16. Reserved Rights of Developer.

A.Prior Approval by Developer. Developer has retained certain architectural review and approval rights as more fully set forth in Section 2 of this Article II.

B.Developer's Rights in Furtherance of Development and Sales.

None of the restrictions contained in this Article II shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Sales and Development Period or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, Developer shall have the right to maintain a sales office (including a temporary building or mobile trailer), model units, advertising display signs,

storage areas and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable sale and development of the entire Project by the Developer.

C. Enforcement of Bylaws. The Developer and the Association, as applicable, shall have the responsibility and the obligation to enforce the provisions contained in these Bylaws including the Restrictions set forth in Article II. The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons having an interest in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any person to whom he may assign this right, at his option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws throughout the Sales and Development Period which right of enforcement shall include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

C. Right of First Refusal. Until such time as an occupancy permit has been issued with respect to a residence on a Unit, the Developer shall have a right of first refusal to purchase any Unit on the same terms and conditions as the Unit owner is offering to any other prospective purchaser. Prior to selling a Unit, the Unit Owner shall provide the Developer with written notice of the proposed sale, including all terms and conditions thereof. The Developer shall have fifteen (15) days thereafter to notify the Unit Owner in writing as to whether or not it intends to exercise its right of first refusal. If it fails or declines to exercise its right of first refusal, the Unit Owner may proceed to sell the Unit on the same terms and conditions as were stated in the notice. Any change in the terms and conditions of a proposed sale shall require that the Unit Owner give new notice to the Developer of the proposed sale. In any event, any purchaser shall acquire the Unit subject to the Developer's right of first refusal with respect to any future sale. If the Developer indicates its intention to exercise its right of first refusal, the Unit Owner shall promptly provide the Developer with an appropriate title insurance commitment in the amount of the proposed purchase price for the Unit, confirming that the Unit Owner can grant the Developer good and marketable title. Closing shall occur within thirty (30) days of the date the Developer and the Unit Owner receive a satisfactory title commitment.

Section 17. Adjoining Nature Preserve. Located adjacent to the Condominium to the East constituting approximately 40 acres is a nature preservation area. To the extent the opportunity arises for the Association to participate in providing reasonable financial support to preserve and enhance the nature preservation area, the Developer, and after the Sales and Development Period, the Board of Directors, reserves the right to include the Association in such efforts. The purpose of including the Association would be to enable the Association to participate not only in decisions affecting the long term viability of the nature preserve, but also reasonable economic support to assure its continued existence as a nature preserve.

Section 18. Leasing and Rental.

A. Right to Lease. A Co-owner may lease or sell his Unit for the same purposes set forth in Section 1 of this Article II; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (B) below. Co-Owners shall make every effort to ensure that the

prospective tenant is of good character, financially responsible and is familiar with and willing to abide by all provisions of the Condominium documents including the Rules and Regulations. With the exception of a lender in possession of a Unit following a default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium and no tenant shall be permitted to occupy except under a lease the initial term of which is at least six months unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in his discretion.

B. Leasing Procedures. The leasing of Units in the Project shall conform to the following provisions:

(1) A Co-owner, including the Developer, desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least 10 days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. If the Developer desires to rent Units before the Transitional Control Date, he shall notify either the Advisory Committee or each Co-owner in writing.

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

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

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

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

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

(4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant.

Section 19. Notification of Sale. A Co-owner intending to make a sale of his Unit shall notify the Association in writing at least 21 days before the closing date of the sale and shall furnish the name and address of the intended purchaser and such other information as the Association shall reasonably require. The purpose of this Section is to enable the Association to be aware at all times of the identities of all persons owning or occupying a Unit and to facilitate communication with all such persons regarding the rights, obligations and responsibilities under the Condominium Documents. Under no circumstances shall this provision be used for purposes of discrimination against any owner, occupant or prospective owner on the basis of race, color, creed, national origin, sex or other basis prohibited by law.

Section 20. Relocation of Unit Boundaries. No Co-owner shall cause his Unit to be subdivided, consolidated with any other Unit, or otherwise modified by the relocation of Unit boundaries without the written approval of the Association or, during the Sales and Development Period, the Developer. All requests for subdivision, consolidation or modification shall be submitted in writing together with all necessary plans, surveys and other pertinent information. Requests for modification of Unit boundaries shall be evaluated on the expected beneficial or adverse impact on the community. Requests which would result in a decrease in the size of a Unit and its surrounding yard area below the original size shall ordinarily be denied. Approvals are subject to all applicable governmental regulations and the requirements of Article IX, Section 2 of the Master Deed.

ARTICLE III

RECONSTRUCTION AND REPAIR

Section 1. Association Responsibility for Repair. Immediately after the occurrence of a casualty causing damage to a General Common Element, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

Section 2. Timely Reconstruction and Repair. If damage to the General Common Elements adversely affects the appearance or utility of the Project, the Association shall proceed with replacement of the damaged property without delay.

Section 3. Co-owner's Responsibility. Each Co-owner shall be responsible for all maintenance, repair and replacement required within his Unit or the Limited Common Element Setback Area appurtenant thereto.

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

A. Taking of Unit or Improvements Thereon. In the event of any taking of all or any portion of a Unit or any improvements thereon by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear, 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 therefore, be divested of all interest in the Condominium Project.

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B. Taking of General Common Elements. If there is any taking of any portion of the General Common Elements, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than 50% of the Co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

C. Continuation of Condominium After Taking. In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of 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-owner.

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

E. Applicability of the Act. To the extent not inconsistent with the foregoing provisions, Section 133 of the Act shall control upon any taking by eminent domain.

Section 5. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Co-owner or any other party priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE IV

INSURANCE

Section 1. Extent of Coverage. The Association shall, to the extent appropriate in light of the nature of the General Common Elements of the Project, carry all risk insurance coverage and liability insurance (in a minimum amount to be determined by the Developer or the Association in its discretion, but in no event less than \$1,000,000 per occurrence), officers' and directors' liability insurance, and workmen's compensation insurance, if applicable, and any other insurance the Association may deem applicable, desirable or necessary, pertinent to the ownership, use and maintenance of the General Common Elements and such insurance shall be carried and administered in accordance with the following provisions:

A. Responsibilities of Association. All such insurance shall be purchased by the Association for the benefit of the Association, the Developer and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners.

B. Insurance of Common Elements. All General Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, if applicable and appropriate, in an amount

equal to the current insurable replacement value, excluding foundation and excavation costs, if any, as determined annually by the board of directors of the Association.

C. Premium Expenses. All premiums on insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

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

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project and the General Common Elements appurtenant thereto, with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefore, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3. Responsibilities of Co-owners. Each Co-owner shall be responsible for obtaining all risk insurance coverage with respect to the building and all other improvements constructed or to be constructed within the perimeter of Co-owner's Condominium Unit and for personal property located therein or thereon or elsewhere on the Condominium Project. There is no responsibility on the part of the Association to insure any of such improvements whatsoever. Each Co-owner also shall be obligated to obtain insurance coverage for Co-owner's personal liability for occurrences within the perimeter of Owner's Unit (naming the Association and the Developer as additional insured), and also for any other personal insurance coverage that the Co-owner wishes to carry. Each Co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner hereunder. In the event of the failure of a Co-owner to obtain such insurance or to provide evidence thereof to the Association, the Association may, but is not required to, obtain such insurance on behalf of such Co-owner and the premiums therefore shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article V hereof. Each Co-owner shall also be obligated to obtain insurance from an insurer identified by the Association in the event the Association elects to make such designation.

The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described above in this Section 3 or have any liability to any person for failure to do so. The Association may elect, however, through its board of directors, to undertake the responsibility for obtaining the insurance described in this Section 3, or any portion thereof, exclusive of insurance covering the contents located within a Co-owner's

residence, and the cost of the insurance shall be included as an expense item in the Association budget. All Co-owners shall be notified of the Board's election to obtain the insurance at least sixty (60) days prior to its effective date which notification shall include a description of the coverage and the name and address of the insurer. Each Co-owner shall also be provided a certificate of insurance as soon as it is available from the insurer. Co-owners may obtain supplementary insurance but in no event shall any such insurance coverage undertaken by a Co-owner permit a Co-owner to withhold payment of the share of the Association assessment that relates to the equivalent insurance carried by the Association. The Association also shall not reimburse Co-owners for the cost of premiums resulting from the early cancellation of an insurance policy. To the extent a Co-owner does or permits anything to be done or kept on Co-owner's Unit and/or the adjoining Limited Common Element yard area that will increase the rate of insurance each Co-owner shall pay to the Association, the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition shall be charged to the Co-owner responsible for such activity or condition.

Section 4. Waiver of Right of Subrogation. The Association and all Co-owners shall use their best efforts to cause all property and liability insurance carried by the Association or any Co-owner to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

Section 5. Indemnification. Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer and the Association for all damages and costs, including attorneys' fees, which such other Co-owners, the Developer or the Association may suffer as a result of defending any claim arising out of an occurrence on or within such individual Co-owner's Unit and shall carry insurance to secure this indemnity if so required by the Association (or the Developer during the Sales and Development Period). This Section 5 shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner, however.

ARTICLE V

ASSESSMENTS

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

Section 1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

Section 2. Determination of Assessments. Assessments shall be determined in accordance with the following provisions:

A. Budget. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the

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Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget on a no cumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Association of Co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time decide, in the sole discretion of the Board of Directors that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

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

Section 3. Apportionment of Assessments and Penalty for Default.

Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. The Association may assess reasonable automatic late charges or may, pursuant to Article XIX, Section 4 hereof, levy fines for late payment of assessments. Each Co-owner (whether 1 or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessment levied up to and

including the date upon which such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorney's fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 4. Waiver of Use or Abandonment of Unit. No Co-owner 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.

Section 5. Enforcement.

A. Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against 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.

B. Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to 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. Further, each Co-owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this subparagraph 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.

C. Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, a written notice that 1 or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within 10 days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney's fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in the county in which the Project is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the

delinquency is not cured within the 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 delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

D. Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit.

Section 6. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit).

Section 7. Developer's Responsibility for Assessments. The Developer of the Condominium shall pay all expenses of maintaining the Units that it owns, including the improvements located thereon, together with a proportionate share of all current expenses of administration as reflected in the annual budget of the Association, except expenses related to maintenance and use of the Units in the Project and of the improvements constructed within or appurtenant to the Units that are not owned by Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses shall be based upon the ratio of all Units owned by the Developer to the total number of Units then in the Project at the time of the general assessment for the Common Elements based on the Association budget as described in Section 2 above. Any assessments levied by the Association against the Developer for other purposes shall be void without Developer's consent. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs.

Section 8. Statement as to Unpaid Assessments. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments 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 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, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

Section 9. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section

131 of the Act.

Section 10. Personal Property Tax Assessment of Association Property.

Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 11. Construction Lien. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

ARTICLE VI

ARBITRATION

Section 1. Scope and Election. Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between the Co-owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

Section 2. Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 1 above, no Co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

Section 3. Election of Remedies. Such election and written consent by Co-owners 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.

ARTICLE VII

MORTGAGES

Section 1. Notice to Association. Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units". The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within 60 days.

Section 2. Insurance. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

Section 3. Notification of Meetings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to

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designate a representative to attend such meeting.

ARTICLE VIII

VOTING

Section 1. Vote. Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Condominium Unit owned.

Section 2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members and shall be entitled to vote during such period notwithstanding the fact that the Developer may own no Units at some time or from time to time during such period. At and after the First Annual Meeting the Developer shall be entitled to one vote for each Unit which it owns.

Section 3. Designation of Voting Representative. Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided.

Section 4. Quorum. The presence in person or by proxy of 35 % of the Co-owners in number and in value qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 5. Voting. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than 50% in value of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may require such majority to be one of both number and value of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

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ARTICLE IX

MEETINGS

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Sturgis' Code of Parliamentary Procedure, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer and may be called at any time after more than 50% in number of the Units in Walnut Brook Estates have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to non-developer Co-owners of 75 % in number of all Units or 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, whichever first occurs. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least 10 days' written notice thereof shall be given to each Co-owner.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held on the third Tuesday of March each succeeding year after the year in which the First Annual Meeting is held, at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than 8 months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by one of the Co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least 10 days but not more than 60 days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 6. Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

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Section 7. Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers); (g) election of Directors (at annual meeting or special meetings held for such purpose); (h) unfinished business; and (i) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary/Treasurer.

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 for the giving of notice of meetings of members. Such solicitations shall 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 shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (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.

Section 9. Consent of Absentees. The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. Minutes; Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE X

ADVISORY COMMITTEE

Within 1 year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within 120 days after conveyance to purchasers of 1/3 of the Units, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least 3 non-developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that if more than 3 of the non-developer Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the other Co-owners and to aid in the transition of control of the Association from

the Developer to purchaser Co-owners. The Advisory Committee shall cease to exist automatically when the non-developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XI

BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors shall initially be comprised of 3 members and shall continue to be so comprised until enlarged to 5 members in accordance with the provisions of Section 2 hereof. Thereafter, the affairs of the Association shall be governed by a Board of Directors, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation.

Section 2. Election of Directors.

A. First Board of Directors. The first Board of Directors shall be comprised of 3 persons and such first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-developer Co-owners to the Board. Immediately prior to the appointment of the first non-developer Co-owner to the Board, the Board shall be increased in size from 3 persons to 5 persons. Thereafter, elections for non-developer Co-owner Directors shall be held as provided in subsections (B) and (C) below.

B. Appointment of Non-developer Co-owners to Board Prior to First Annual Meeting. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 25% of the Units, 1 of the 5 Directors shall be selected by non-developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 50% of the Units, 2 of the 5 Directors shall be elected by non-developer Co-owners. When the required number of conveyances have been reached, the Developer shall notify the non-developer Co-owners and request that they hold a meeting and elect the required Director or Directors, as the case may be. Upon certification by the Co-owners to the Developer of the Director or Directors so elected, the Developer shall then immediately appoint such Director or Directors to the Board to serve until the First Annual Meeting of members unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

C. Election of Directors At and After First Annual Meeting.

(1) Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 75% of the Units, the non-developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least 1 Director as long as he owns at least 10% of the Units in the Project. Whenever the required conveyance level is achieved, a meeting of Co-owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

(2) Regardless of the percentage of Units which have been conveyed, upon the

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

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

(4) At the First Annual Meeting 3 Directors shall be elected for a term of 2 years and 2 Director shall be elected for a term of 1 year. At such meeting all nominees shall stand for election as 1 slate and the 3 persons receiving the highest number of votes shall be elected for a term of 2 years and the 2 persons receiving the next highest number of votes shall be elected for a term of 1 year. At each annual meeting held thereafter, either 2 or 3 Directors shall be elected depending upon the number of Directors whose terms expire. After the First Annual Meeting, the term of office (except for 2 of the Directors elected at the First Annual Meeting) of each Director shall be 2 years. The Directors shall hold office until their successors have been elected and hold their first meeting.

(5) Once the Co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-owners to elect Directors and conduct other business shall be held in accordance with the provisions of Article IX, Section 3 hereof.

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners.

Section 4. Other Duties. In addition to the foregoing duties imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Association, the Association shall be responsible specifically for the following:

A.To enforce the provisions of all Condominium Documents including the Restrictions contained in Article II of these Bylaws.

B.To manage and administer the affairs of and to maintain the Condominium Project and the Common Elements thereof.

C.To levy and collect assessments from the members of the Association and to use

the proceeds thereof for the purposes of the Association.

D.To carry insurance and collect and allocate the proceeds thereof.

E.To rebuild improvements after casualty.

F.To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.

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

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

I. To make rules and regulations in accordance with Article II, Section 11 of these Bylaws.

J. To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the enforcement and administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than 3 years or which is not terminable by the Association upon 90 days' written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

Section 6. Vacancies. Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any Director whom it is permitted in the first instance to designate. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the members of the Association. Vacancies among non-developer Co-owner elected Directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Co-owners and shall be filled in the manner specified in Section 2(B) of this Article.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than 50% in number of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal 35% requirement set forth in Article VIII, Section 4. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time or from time to time in its sole discretion. Likewise, any Director selected by the non-developer Co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

Section 8. First Meeting. The first meeting of a newly elected Board of Directors shall be held within 10 days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by mail, telephone or telegraph, at least 10 days prior to the date named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on 3 days' notice to each Director given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two Directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon 24 hours' prior written notice delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such Director for purposes of determining a quorum.

Section 13. First Board of Directors. The actions of the first Board of Directors of the Association or any successors thereto selected or elected before the Transitional Control Date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors

as provided in the Condominium Documents.

Section 14. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE XII

OFFICERS

Section 1. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, a Secretary and a Treasurer. The Directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices except that of President and Vice President may be held by one person.

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

B. Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Directors.

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

D. Treasurer. The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors.

Section 2. Election. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his or her successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter shall

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have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

Section 4. Duties. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE XIII

SEAL

The Association may (but need not) have a seal. If the Board determines that the Association shall have a seal, then it shall have inscribed thereon the name of the Association, the words "corporate seal", and "Michigan".

ARTICLE XIV

FINANCE

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within 90 days following the end of the Association's fiscal year upon request therefore. The costs of any such audit and any accounting expenses shall be expenses of administration.

Section 2. Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 3. Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Board of Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

ARTICLE XV

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and amounts paid in settlement, incurred by or imposed upon him or her in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or

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investigative, and whether formal or informal, to which he or she may be a party or in which he or she may become involved by reason of his or her being or having been

a director or officer of the Association, whether or not he or she is a director or officer at the time such expenses are incurred, except as otherwise prohibited by law; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Association (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other right to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Association shall notify all Co-owners thereof. Further, the Association is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

ARTICLE XVI

AMENDMENTS

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by 1/3 or more in number of the Co-owners by instrument in writing signed by them.

Section 2. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

Section 3. Voting. These Bylaws may be amended by the Co-owners at any regular annual meeting or a special-meeting called for such purpose by an affirmative vote of not less than two-thirds of all Co-owners in number and in value. No consent of mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of two-thirds of the mortgagees shall be required, with each mortgagee to have one vote for each first mortgage held.

Section 4. By Developer. Prior to the end of the Sales and Development Period, these Bylaws may be amended by the Developer without approval from any other person so long as any such amendment does not materially diminish the right of a Co-owner or mortgagee.

Section 5. When Effective. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Oakland County Register of Deeds.

Section 6. Binding. A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XVII

COMPLIANCE

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The Association and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the Project in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry upon the Condominium Premises shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern.

ARTICLE XVIII

DEFINITIONS

All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

ARTICLE XIX

REMEDIES FOR DEFAULT

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

Section 1. Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

Section 2. Recovery of Costs. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees (not limited to statutory fees) as may be determined by the court, but in no event shall any Co-owner committing the default be entitled to recover such attorney's fees.

Section 3. Removal and Abatement. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements or upon any Unit (but not inside any residence), where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

Section 4. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless in accordance with the provisions of Article XX thereof.

Section 5. Non-waiver of Right. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision, covenant or condition in the future.

Section 6. Cumulative Rights, Remedies and Privileges. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions,

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covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 7. Enforcement of Provisions of Condominium Documents. The Developer or a Co-owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

ARTICLE XX

ASSESSMENT OF FINES

Section 1. General. The violation by any Co-owner, occupant or guest of any provisions of the Condominium Documents including any duly adopted Rules and Regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted through such Co-owner to the Condominium Premises.

Section 2. Procedures. Upon any such violation being alleged by the Board, the following procedures will be followed:

A. Notice. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Article VIII, Section 3 of the Bylaws.

B. Opportunity to Defend. The offending Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting but in no event shall the Co-owner be required to appear less than 10 days from the date of the Notice.

C. Default. Failure to respond to the Notice of Violation constitutes a default.

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

Section 3. Amounts. Upon violation of any of the provisions of the Condominium Documents and after default of the offending Co-owner or upon the decision of the Board as recited above, the following fines shall be levied:

A. First Violation. No fine shall be levied.

B. Second Violation. Twenty-Five Dollars (\$25.00) fine.

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C. Third Violation. Fifty Dollars (\$50.00) fine.

D. Fourth Violation and Subsequent Violations. One Hundred Dollars (\$100.00) fine.

Section 4. Collection. The fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be due and payable on the first of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitation, those described in Article V and Article XIX of the Bylaws.

ARTICLE XXI

RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or granted to the Developer or its successors shall terminate, if not sooner assigned to the Association, at the conclusion of the Sales and Development Period as defined in Article III of the Master Deed. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination of architectural review rights set forth in Article II, Section 2 hereof or any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

AMENDMENTS

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ARTICLE II – RESTRICTIONS

Section 2. Architectural Control

B. Architectural Requirements

(1). To protect the values of the residences in the community and to perpetuate the quality of building experienced in the community during recent years, each residence constructed after the effective date of this Amendment shall cost a minimum of \$200 per square foot (excluding the cost of landscaping and the unit) as determined by a licensed architect chosen by either the Developer or the Board of Directors and shall contain the following minimum liveable floor area: Units 15, 18, 21, 24, 28, 29, 30, 33, 37, 38, 44, 48, 49, 50, 51, 52, and 65: 3,200 square feet for a ranch style home, 3,700 square feet for a one and one-half story style home, and 4,200 square feet for a two-story. For Units 1, 2, 3, 6, 69, 75, and 76: 3,500 square feet for a ranch, 4,000 square feet for a one and one-half story, and 5,000 square feet for a two-story home. For purposes of this paragraph, garages, patio, decks, open porches, entrance porches, terraces, basements, lower levels and like areas shall be excluded in determining the liveable floor area whether or not they are attached to the main dwelling. Enclosed porches shall be included in determining the liveable floor area only if the roof of the porch forms an integral part of the roof line of the main dwelling. Except as explicitly permitted herein, no dwelling shall be erected, altered, placed, or permitted to remain on any Unit other than one (1) detached single-family dwelling not to exceed two (2) stories in height, which shall include an attached garage and other such accessory structure as the Developer may approve in writing. All residences shall include a side entry garage with the garage entrance located on the opposite side of the typical approach direction to a residence.. All garages shall accommodate at least three cars and larger garages are encouraged. Front entry garages are not permitted.

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ARTICLE II – RESTRICTIONS

Section 2. Architectural Control

B. Architectural Requirements

(9). All chimneys are to be enclosed by brick, stone, or Dryvit and will have a clay pot top or similar high quality top which needs to be approved by the Developer. Uniqueness in chimney design is strongly encouraged. Any other type of chimney needs to be approved by the Developer. Chimneys will only be approved as long as clay pots will be installed on them. The clay pots must be installed immediately after completion of brick, stone, and Dryvit.