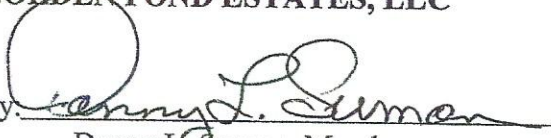
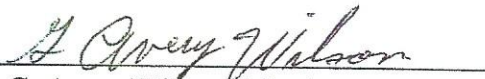


The provisions of the Act, and of the other laws of the State of Michigan, shall be applicable to and govern this Master Deed and all activities relating thereto.

IN WITNESS WHEREOF, the undersigned has executed this Master Deed as of the date first written above.

GOLDEN POND ESTATES, LLC

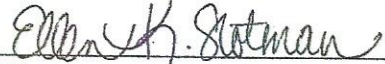
By: 
Danny L. Suman, Member

By: 
G. Avery Wilson, Member

STATE OF MICHIGAN)
)SS.
COUNTY OF OCEANA)

Acknowledged before me in Oceana County, Michigan, on April 24, 2006, by Danny L. Suman and G. Avery Wilson, both Members of Golden Pond Estates, LLC, a Michigan Limited Liability Company, on behalf of the Company.

**DRAFTED BY AND
WHEN RECORDED RETURN TO:
James R. Prince
JAMES R. PRINCE, PLC
Attorney at Law
127 State Street
Hart, Michigan 49420**


Ellen K. Slotman, Notary Public
Oceana County, Michigan
My commission expires: 1/12/08
Acting in the County of Oceana

CONDOMINIUM BYLAWS OF GOLDEN POND COMMUNITY CONDOMINIUMS

**ARTICLE I
THE CONDOMINIUM PROJECT**

1. Organization. Golden Pond Condominiums, a residential condominium project located in Golden Township, Oceana County, Michigan, is being constructed in a single phase to comprise a total of 59 living units or a greater number up to 91 if conversion occurs as provided in Article VII of the Master Deed. Once the Master Deed is recorded, the management, maintenance, operation, and administration of the project shall be vested in an association of co-owners organized as a nonprofit corporation under Michigan law.
2. Compliance. All present and future co-owners, mortgagees, lessees, or other persons who may use the facilities of the condominium in any manner shall be subject to and comply with the Michigan Condominium Act, MCLA 559.101 et seq., MSA 26.50(101) et seq., the Master Deed and its amendments, the Articles of Incorporation, the Association Bylaws, and other condominium documents that pertain to the use and operation of the condominium property. The association shall keep current copies of these documents and make them available for inspection at reasonable hours to co-owners, prospective purchasers, and prospective mortgagees of units in the project. If the Michigan Condominium Act conflicts with any condominium documents referred to in these Bylaws, the act shall govern. A party's acceptance of a deed of conveyance or of a lease or occupancy of a condominium unit in the project, the taking of a mortgage, the act of occupying a unit or presence in the Condominium, shall constitute an acceptance of the provisions of these documents and an agreement to comply with them.
3. Purpose of Bylaws. These Bylaws govern the general operation, maintenance, administration, use and occupancy of the Condominium, and all activities shall be performed in accordance with the provisions hereof.

**ARTICLE II
MEMBERSHIP AND VOTING**

1. Membership. Each present and future co-owner of a unit in the project shall be a member of the association, and no other person or entity shall be entitled to membership. The share of a member in the funds and assets of the association may be assigned, pledged, or transferred only as an appurtenance to the condominium unit. Any attempted assignment, pledge or transfer of Association membership or share of a member, except as an appurtenance to a Condominium Unit, in violation of this provision shall be wholly void.
2. Voting rights. Except as limited in the Master Deed and in these Bylaws, the members owning each unit shall collectively be entitled to one vote when voting by number and one vote, the value of which shall equal the total percentage of value assigned to the unit as stated

in the Master Deed, when voting by value. Voting shall be by value, except when voting is specifically required to be by number, or both by value and by number, and no cumulation of votes shall be permitted.

3. Members entitled to vote. No co-owner, other than the Developer, may vote at a meeting of the association until the co-owner presents written evidence of the ownership of a condominium unit in the project, nor may a co-owner vote before the initial meeting of members (except for elections held pursuant to Article III, provision 4). The Developer may cast a vote at any meeting only for those units to which it still holds title without submitting any proof of ownership.

The person entitled to cast the vote for the unit and to receive all notices and other communications from the association shall be designated by a certificate signed by all the record owners of the unit and filed with the secretary of the association. Such a certificate shall state the name and address of the designated individual, the number of the units owned, and the name and address of the party who is the legal co-owner. All certificates shall be valid until revoked, until superseded by a subsequent certificate, or until the ownership of the unit concerned changes.

4. Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and for any adjournment of that meeting and must be filed with the association before the appointed time of the meeting. In addition, any person entitled to vote at any meeting may also appear and vote via telecommunications equipment, as provided by Article II, Section 6 of the Association Bylaws.
5. Majority. At any meeting of members at which a quorum is present, 51 percent of the co-owners entitled to vote and present in person or by proxy, in accordance with the percentages allocated to each condominium unit in the Master Deed for the project, shall constitute a majority for the approval of the matters presented to the meeting, except as otherwise required in these Bylaws, in the Master Deed, or by law.

ARTICLE III MEETINGS AND QUORUM

1. Initial meeting of members. The initial meeting of the members of the association shall be convened within 120 days after the conveyance of legal or equitable title to non-developer co-owners of 25 percent of the units that may be created or within 54 months after the first conveyance of legal or equitable title to a non-developer co-owner of a unit in the project, whichever occurs first. At the initial meeting, the eligible co-owners may vote for the election of directors of the association. The Developer may call meetings of members of the association for informational or other appropriate purposes before the initial meeting, but no such informational meeting shall be construed as the initial meeting of members.
2. Annual meeting of members. After the initial meeting, an annual meeting of the members shall be held in each year at the time and place specified in the Association Bylaws. At least

10 days before an annual meeting, written notice of the time, place, and purpose of the meeting shall be mailed to each member entitled to vote at the meeting. At least 20 days' written notice shall be provided to each member of any proposed amendment to these Bylaws or to other condominium documents.

3. Advisory committee. Not later than 120 days after the conveyance of legal or equitable title to non-developer co-owners of one-third of the units that may be created or one year after the initial conveyance of legal or equitable title to a non-developer co-owner of a unit in the project, whichever occurs first, the Developer shall select not less than one (1) nor more than three (3) non-developer co-owners to serve as an advisory committee to the board of directors. The purpose of the advisory committee shall be to facilitate communication between the board of directors and the non-developer co-owners and to aid in the ultimate transfer of control to the association. The members of the advisory committee shall serve for one year or until their successors are selected (whether earlier or later than one year), and the advisory committee shall automatically cease to exist on the transitional control date. The board of directors and the advisory committee shall meet with each other when the advisory committee requests. However, there shall not be more than two such meetings each year unless both parties agree. Advisory committee membership is at the complete discretion of the Developer.
4. Composition of the board. Not later than 120 days after the conveyance of legal or equitable title to non-developer co-owners of 25 percent of the units that may be created, at least one director and at least one-fourth of the board of directors of the association shall be elected by non-developer co-owners. Not later than 120 days after the conveyance of legal or equitable title to non-developer co-owners of 50 percent of the units that may be created, at least one-third of the board of directors shall be elected by non-developer co-owners. Not later than 120 days after the conveyance of legal or equitable title to non-developer co-owners of 75 percent of the units, the non-developer co-owners shall elect all directors on the board except that the Developer may designate at least one director as long as the Developer owns or offers for sale at least 10 percent of the units in the project or as long as 10 percent of the units that may be created remain unbuilt.

Notwithstanding the formula provided above, 54 months after the first conveyance of legal or equitable title to a non-developer co-owner of a unit in the project, if title to at least 75 percent of the units that may be created has not been conveyed, the non-developer co-owners may elect the number of members of the board of directors of the association equal to the percentage of units they hold, and the Developer may elect the number of members of the board equal to the percentage of units that it owns and pays assessments for. This election may increase but not reduce the minimum election and designation rights otherwise established in these Bylaws. The application of this provision does not require a change in the size of the board as stated in the corporate Bylaws.

If the calculation of the percentage of members of the board that the non-developer co-owners may elect or if the product of the number of members of the board multiplied by the percentage of units held by the non-developer co-owners results in a right of non-developer co-owners to elect a fractional number of members of the board, a fractional

election right of 0.5 or more shall be rounded up to the nearest whole number, which shall be the number of members of the board that the non-developer co-owners may elect. After applying this formula, the Developer may elect the remaining members of the board. The application of this provision shall not eliminate the right of the Developer to designate at least one member, as provided in these Bylaws.

5. Quorum of members. Unless otherwise provided herein, the presence in person, via telecommunications conference call or by proxy of 51 percent in value of the members entitled to vote shall constitute a quorum of members. The written vote of any person furnished at or before any meeting at which the 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 on which the vote is cast. If a quorum shall not be present at any meeting, the members present may adjourn the meeting for not more than thirty (30) days.
6. Special Meetings of Members. It shall be the duty of the President to call a special meeting of the members upon a petition signed by 25% of the non-developer co-owners and 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 and shall be given at least ten (10) days prior to the date of such meeting. No business shall be transacted at a special meeting except as stated in the notice.

ARTICLE IV ADMINISTRATION

1. Board of directors. The business, property, and affairs of the association shall be managed and administered by a board of directors to be elected in the manner stated in the Association Bylaws. The directors designated in the articles of incorporation shall serve until their successors have been elected and qualified at the initial meeting of members. All actions of the first board of directors of the association named in its articles of incorporation or any successors elected by the Developer before the initial meeting of members shall be binding on the association as though the actions had been authorized by a board of directors elected by the members of the association at the initial meeting or at any subsequent meeting, as long as the actions are within the scope of the powers and duties that may be exercised by a board of directors as provided in the condominium documents. The board of directors may void any service contract or management contract between the association and the Developer or affiliates of the Developer on the transitional control date, within 90 days after the transitional control date, or on 30 days' notice at any time after that for cause.
2. Powers and duties. The board shall have all powers and duties necessary to administer the affairs of the association. The powers and duties to be exercised by the board shall include, but shall not be limited to, the following:
 - a. maintaining the common elements;
 - b. developing an annual budget and determining, assessing, and collecting amounts required for the operation and other affairs of the condominium and to enforce assessments through liens and foreclosure proceedings where appropriate;

- c. employing and dismissing personnel as necessary for the efficient management and operation of the condominium property;
- d. adopting and amending rules and regulations for the use of condominium property;
- e. opening bank accounts, borrowing money, and issuing evidences of indebtedness to further the purposes of the condominium and designating required signatories therefor;
- f. obtaining insurance for condominium property, the premiums of which shall be an administration expense and allocate the proceeds thereof;
- g. leasing or purchasing premises suitable for use by a managing agent or custodial personnel, on terms approved by the board;
- h. granting concessions and licenses for the use of parts of the common elements for purposes not inconsistent with the Michigan Condominium Act or the condominium documents;
- i. authorizing the signing of contracts, deeds of conveyance, easements, and rights-of-way affecting any real or personal property of the condominium on behalf of the co-owners;
- j. making repairs, additions, improvements, and alterations to the condominium property and repairing and restoring the property in accordance with the other provisions of these Bylaws after damage or destruction by fire or other casualties or condemnation or eminent domain proceedings;
- k. asserting, defending, or settling claims on behalf of all co-owners in connection with the common elements of the project and, on written notice to all co-owners, instituting actions on behalf of and against the co-owners in the name of the association;
- l. in general, to enter into any kind of activity; to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes thereof not forbidden, and with all powers conferred upon nonprofit corporations by the laws of the State of Michigan.

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

3. Accounting records. The association shall keep detailed records of the expenditures and receipts affecting the administration of the condominium. These records shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the association and its co-owners. These records shall be open for inspection by the co-owners and mortgagees during reasonable working hours at a place to be designated by the association. The association shall prepare a financial statement from these records and distribute it to all co-owners at least once a year. The association shall define the contents of the annual financial statement. Qualified independent auditors (who

need not be certified public accountants) shall review the records annually and audit them every fifth year. The cost of these reviews and audits shall be an administration expense. Audits need not be certified.

4. Maintenance and repair. As provided in the Master Deed, the Association shall maintain and repair the general common elements. The costs thereof shall be charged to all the members as a common expense, unless necessitated by the negligence, misuse or neglect of a member, in which case such expense shall be charged to such member. The Association or its agent shall have access to each unit from time to time during reasonable working hours, upon notice to the occupant thereof, for the purpose of maintenance, repair or replacement of any of the common elements located therein or accessible therefrom. The Association or its agent shall also have access to each unit at all times without notice for making emergency repairs necessary to prevent damage to other units, the common elements, or both.

If any member fails to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such member for any necessary damage to his unit caused thereby in gaining such access, the costs of which damages shall be borne by such member. Unless otherwise provided herein or in the Master Deed, damage to a unit or its contents caused by the repair or maintenance activities of the Association, or by the common elements, shall be repaired at the expense of the Association.

All other maintenance and repair obligations shall, as provided in the Master Deed, rest on the individual member or members, as the case may be. Each member shall maintain his unit in a safe, clean and sanitary condition. Each member shall also use due care to avoid damaging any of the common elements, including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any unit which are appurtenant to or which may affect any other unit. Each member shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common elements by him, his family, guests, agents or invitees, unless such damages or costs are actually reimbursed from insurance carried by the Association, in which case there shall be no such responsibility (if reimbursement to the Association is excluded by virtue of a deductible provision, the responsible member shall bear the expense to the extent of the deductible amount, anything else in these Bylaws to the contrary notwithstanding). Any costs or damages to the Association that are herein or elsewhere in the Condominium Documents assigned to the individual member may be assessed to and collected from the responsible member in the manner provided for regular assessments in Article V hereof.

5. Reserve fund. The association shall maintain a reserve fund, to be used only for major repairs and replacement of the common elements, as required by MCLA 559.205, MSA 26.50(205). The fund shall be established in the minimum amount stated in these Bylaws on or before the transitional control date and shall, to the extent possible, be maintained at a level that is equal to or greater than 10 percent of the current annual budget of the association. The minimum reserve standard required by this provision may prove to be inadequate, and the board shall carefully analyze the project from time to time to determine whether a greater

amount should be set aside or if additional reserve funds shall be established for other purposes.

6. Mechanics liens. A mechanics lien for work performed on a condominium unit or a limited common element shall attach only to the unit or element on which the work was performed. A lien for work authorized by the Developer shall attach only to condominium units owned by the Developer when the statement of account and lien are recorded. A mechanics lien for work authorized by the association shall attach to each unit in proportion to the extent to which the co-owner must contribute to the administration expenses. No mechanics lien shall arise or attach to a condominium unit for work performed on the general common elements that is not contracted by the association or the Developer. If a member is advised or otherwise learns of a purported construction lien contrary to the foregoing, he shall immediately notify the Board of Directors. Upon learning of the purported construction lien, the Board shall take appropriate measures to remove any cloud on the title of units improperly affected thereby.
7. Managing agent. The board may employ for the association a management company or managing agent at a compensation rate established by the board to perform duties and services authorized by the board, including the powers and duties listed in provision 2 of this article. The Developer or any person or entity related to it may serve as managing agent if the board appoints the party.
8. Officers. The Association Bylaws shall provide for the designation, number, terms of office, qualifications, manner of election, duties, removal, and replacement of officers of the association and may contain any other provisions pertinent to officers of the association that are not inconsistent with these Bylaws. Officers may be compensated, but only on the affirmative vote of more than 60 percent of all co-owners, in number and in value.
9. Indemnification. All directors and officers of the association shall be entitled to indemnification against costs and expenses incurred as a result of actions (other than willful or wanton misconduct or gross negligence) taken or failed to be taken on behalf of the association on 10 days' notice to all co-owners, in the manner and to the extent provided by the Association Bylaws. If no judicial determination of indemnification has been made, an opinion of independent counsel on the propriety of indemnification shall be obtained if a majority of co-owners vote to procure such an opinion.

ARTICLE V ASSESSMENTS

1. Administration expenses. The association shall be assessed as the entity in possession of any tangible personal property of the condominium owned or possessed in common by the co-owners. Personal property taxes based on such assessments shall be treated as administration expenses. All costs incurred by the association for any liability connected with the common elements or the administration of the project shall be administration expenses. All sums received pursuant to any policy of insurance securing the interests of the co-owners against liabilities or losses connected with the common elements or the administration of the project

shall be administration receipts.

2. Determination of assessments. From time to time and at least annually, the board shall adopt a budget for the condominium that shall include the estimated funds required to defray common expenses for which the association is responsible for the next year, including a reasonable allowance for contingencies and reserves and shall allocate and assess these common charges against all co-owners according to their respective common interests on a monthly, quarterly or annual basis. In the absence of co-owner approval as provided in these Bylaws, such assessments shall be increased only if one of the following conditions are met:
- a. The board finds the budget as originally adopted is insufficient to pay the costs of operating and maintaining the common elements.
 - b. It is necessary to provide for the repair or replacement of existing common elements.
 - c. The board decides to purchase additions to the common elements, the costs of which may not exceed \$1,000 or \$200 per unit annually, whichever is less.
 - d. An emergency or unforeseen development necessitates the increase.

Any increase in assessments other than under these conditions shall be considered a special assessment requiring approval by a vote of 60 percent or more of the members, in number and in value.

3. Levy of assessments. All assessments levied against the units to cover administration expenses shall be apportioned among and paid by the co-owners equally, in advance and without any increase or decrease in any rights to use limited common elements. The common expenses shall include expenses the board deems proper to operate and maintain the condominium property under the powers and duties delegated to it under these Bylaws and may include amounts to be set aside for working capital for the condominium, for a general operating reserve, and for a reserve to replace any deficit in the common expenses for any prior year. Any reserves established by the board before the initial meeting of members shall be subject to approval by the members at the initial meeting. The board shall advise each co-owner in writing of the amount of common charges payable by the co-owner and shall furnish copies of each budget on which such common charges are based to all co-owners.
4. Collection of assessments. Each member, whether one or more persons, shall be and shall remain personally obligated for the payment of all assessments levied with regard to his unit during the time that he is the owner thereof, and no member may exempt himself from liability for this contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his unit. If any member defaults in paying the assessed common charges, interest at the maximum legal rate shall be charged on such assessment from the due date thereof and further penalties or proceedings may be instituted by the Board of Directors in its discretion. If such assessment, or any part thereof, is not paid on or before the due date established by the Board of Directors for such payment, then such payment shall be in default. The Board of Directors may, but need not, report such a default to any mortgagee of record. Any mortgagee of a Condominium unit may consider a default in the payment of any assessment a default in the payment of its mortgage. Unpaid assessments shall constitute a lien upon the unit prior to all other liens

except tax liens and sums unpaid on a first mortgage of record. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of a lien that secures payment of assessments. Each member, and every other person, except a first mortgagee, who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement (in accordance with the provisions of Chapter 32 of the Michigan Revised Judicature Act, as amended). The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. The Association is hereby granted what is commonly known as a "power of sale". Each member and every other person, except a first mortgagee, who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or to cause to be sold at public auction the unit with respect to which the assessment is delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each member acknowledges that when he acquired title to his unit, he was notified of the provisions of this section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject unit. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement by published, until ten (10) days have expired after the mailing, by certified mail, return receipt requested and postage prepaid, addressed to the delinquent member at his last known address, of a written notice that an assessment, or any part thereof, levied against his unit is delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. A written affidavit of an authorized representative of the Association that sets forth (a) the affiant's capacity to make the affidavit, (b) the statutory and other authority for the lien, (c) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (d) the legal description of the subject unit, and (e) the name of the member of record, shall accompany such written notice. Such affidavit shall be recorded in the office of the Oceana County Register of Deeds prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of the mailing notice. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the representative of the delinquent member designated in Article II, Section 3, above, and shall inform such representative that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collection unpaid assessments, including interest, costs, reasonable 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 members in default and shall be secured by the lien on his unit. If any member defaults in the payment of any installment of the annual assessment levied against his unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. In a judicial foreclosure action, the court may appoint a receiver to collect a

reasonable rental for the unit from the member owning it or any persons claiming under him, and each member hereby covenants to the appointment of such a receiver. The Association may also stop furnishing any services to a member in default upon seven (7) days' written notice to such member of its intent to do so. A member in default on the payment of any assessments shall not be entitled to vote at any meeting of the Association so long as such default continues.

If the holder of a first mortgage on a Condominium unit obtains title to the unit by foreclosing the mortgage, accepting a deed in lieu of foreclosure or similar remedy, or any other remedy provided in the mortgage, such person, and its successors and assigns, or other purchaser at a foreclosure sale shall not be liable for unpaid assessments chargeable to the unit which became due prior to the acquisition of title to the unit by such person; provided, however, that such unpaid assessments shall be deemed to be common expenses collectible from all of the members, including such person, its successors and assigns, and that all assessments chargeable to the unit subsequent to the acquisition of title shall be the responsibility of such person as hereinbefore provided with respect to all members. When a member is in arrearage to the Association for assessments, the Association may give written notice of arrearage to any person occupying his unit under a lease or rental agreement, and such person, after receiving the notice, shall deduct from rental payments due the member the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the occupant. The Association may purchase a unit at any foreclosure sale hereunder.

5. Obligations of the Developer.

- a. Until the regular monthly assessments paid by co-owners other than the Developer are sufficient to support the total costs of administration (excluding reserves), the Developer shall pay the balance of such administration costs on account of the units owned by it, whether or not they are constructed.
- b. Once the regular monthly assessments paid by co-owners other than the Developer are sufficient to support the total costs of administration (excluding reserves), the Developer shall be assessed by the association for actual costs, if any, incurred by the association that are directly attributable to the units owned by the Developer, together with a reasonable share of the costs of administration that indirectly benefit the Developer (other than costs attributable to the maintenance of dwellings), such as legal fees, accounting fees, and maintenance of the landscaping, drives, and walks. If a unit owned by the Developer is leased or otherwise permanently occupied by a person holding under or through the Developer, the Developer shall pay all regular monthly assessments for the unit. In no event shall the Developer be responsible for the cost of capital improvements or additions, by special assessment or otherwise, except for occupied units owned by it.

**ARTICLE VI
TAXES, INSURANCE, AND REPAIRS**

1. Taxes. After the year in which the Condominium is established, all special assessments and

property taxes shall be assessed against the individual units and not against the total property of the project or any part of it. In the initial year in which the Condominium is established, the taxes and special assessments that become a lien against the property of the condominium shall be administration expenses and shall be paid by the Developer. Special assessments and property taxes in any year when the property existed as an established project on the tax day shall be assessed against the individual units, notwithstanding any subsequent vacation of the project.

Assessments for subsequent real property improvements to a specific unit shall be assessed to that unit only. Each unit shall be treated as a separate, single unit of real property for the purpose of property taxes and special assessments and shall not be combined with any other units. No assessment of a fraction of any unit or a combination of any unit with other units or fractions of units shall be made, nor shall any division or split of an assessment or tax on a single unit be made, notwithstanding separate or common ownership of the unit.

2. Insurance. The association shall be appointed as attorney-in-fact for each co-owner to act in connection with insurance matters and shall be required to obtain and maintain, to the extent available and applicable, fire insurance with extended coverage; vandalism and malicious mischief endorsements; and liability insurance and worker compensation insurance pertinent to the ownership, use, and maintenance of the common elements to the project. Such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:
 - a. All such insurance shall be purchased by the board of directors for the benefit of the association, the co-owners, their mortgagees, and the Developer, according to their interests. EACH CO-OWNER SHALL BE RESPONSIBLE FOR OBTAINING INSURANCE COVERAGE AT THE CO-OWNER'S EXPENSE FOR THE CO-OWNER'S UNIT AND ANY IMPROVEMENTS TO THE UNIT. Each co-owner is responsible for obtaining insurance for the personal property located within the co-owner's unit or elsewhere in the condominium, for personal liability for occurrences within the co-owner's unit or on limited common elements appurtenant to the unit, and for expenses to cover alternate living arrangements if a casualty causes temporary loss of the unit. The association shall have no responsibility for obtaining such insurance. The association and all co-owners shall use their best efforts to see that all property and liability insurance carried by the association or any co-owner shall contain appropriate provisions for the insurer to waive its right of subrogation regarding any claims against any co-owner or the association.
 - b. All common elements of the project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, as determined annually by the board of directors of the association. Any improvements made by a co-owner within a unit shall be covered by insurance obtained at the expense of the co-owner. If the association elects to include owner improvements under its insurance coverage, any additional premium cost to the association attributable to the coverage shall be assessed to the co-owner and collected as a part of the assessments against the co-owner as provided in these Bylaws.

- c. If required, the association shall maintain adequate fidelity coverage to protect against dishonest acts by its officers, directors, trustees, and employees and all others who are responsible for handling the association's funds. Such fidelity bonds shall meet the following requirements:
- (1) The association shall be named as an obligee.
 - (2) The policy shall be written in whatever amount any lending institution or other agency requesting the policy requires, according to the estimated annual operating expenses of the condominium project, including reserves.
 - (3) The policy shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of *employee* or similar terms.
 - (4) The policy shall provide that it may not be canceled or substantially modified, including for nonpayment of premiums, without at least 30 days' written notice.
- d. The board of directors is irrevocably appointed the agent for each co-owner, each mortgagee, other named insureds and their beneficiaries, and any other holders of liens or other interests in the condominium or the property, to adjust and settle all claims arising under insurance policies purchased by the board and to sign and deliver releases once claims are paid.
- e. Except as otherwise set forth in these Bylaws, all premiums on insurance purchased by the association pursuant to these Bylaws shall be administration expenses.
3. Reconstruction or repairs. If any part of the Condominium shall be damaged, the determination of whether or not, and how, it shall be reconstructed or repaired shall be made in the following manner:
- a. If a common element is damaged, such property shall be rebuilt or repaired, unless the members unanimously vote that the Condominium shall be terminated and each holder of a mortgage lien on any Condominium unit has given its prior written approval of such termination.
 - b. Any reconstruction or repair shall be performed substantially in accordance with the Master Deed and the plans and specifications for the Condominium to a condition as similar as possible to the condition existing prior to damage, unless the members and each holder of a mortgage lien on any Condominium unit shall unanimously decide otherwise.
 - c. If the damage is to all of or only to a part of a unit of which it is the responsibility of a member to maintain and repair, it shall be the responsibility of the member to repair such damage in accordance with the subsection (d) hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association. The Association promptly shall notify each holder of a mortgage lien on any of the Condominium units if any unit or any part of the common elements is substantially damaged or destroyed. The co-owner shall first obtain written consent from the Association prior to making the repairs. The Association shall not consent if such repair or modification may jeopardize or impair the structural soundness or safety,

- or both, of the project.
- d. Each member shall be responsible for the reconstruction and repair of his unit.
 - e. The Association shall be responsible for the reconstruction and repair of the general common elements, and for any incidental damage to a unit and the contents thereof caused by such common elements or the reconstruction or repair thereof. Immediately after a casualty occurs causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to return the damaged property to a condition as good as that existing before the damage.
 - f. Any insurance proceeds received, whether by the Association or a member, shall be used for reconstruction or repair when reconstruction or repair is required by these Bylaws. If the insurance proceeds are not sufficient to pay 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 costs thereof are insufficient, assessments shall be made against all members for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. Such assessments shall be levied in the same manner as the regular assessments, as set forth in Article V hereof.

Prompt written notice of all material damage or destruction to a unit or any part of the common elements shall be given to the holders of first mortgage liens on any affected units.

4. Eminent domain. The following provisions shall pertain on any taking by eminent domain:
- a. If any portion of the Condominium other than any unit is taken, the condemnation proceeds relative to such taking shall be paid to the Association and the affirmative vote of more than fifty percent (50%) of the members in number and in value at a meeting duly called shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation proceeds shall be remitted to the members and their respective mortgagees, as their interests may appear, in accordance with their respective percentages of value set forth in Article V of the Master Deed.
 - b. If an entire unit is taken by eminent domain, that unit's undivided interest in the common elements shall be reallocated to the remaining units in proportion to their undivided interests in the common elements. The court shall enter a decree reflecting the reallocation of undivided interests and the award shall include just compensation to the co-owner of the unit taken for the co-owner's undivided interest in the common elements, as well as for the unit. After acceptance of such award by the member and his mortgagee, they shall be divested of all interest in the Condominium.
 - c. If part of a unit is taken by eminent domain, the court shall determine the fair market value of the part of the unit not taken. The undivided interest for the unit in the common elements shall be reduced in proportion to the diminution in the fair market value of the unit resulting from the taking. The part of the undivided interest in the common elements thus divested from the co-owner of a unit shall be reallocated among the other units in the project in proportion to their undivided interests in the

common elements. A unit that is partially taken shall receive the reallocation in proportion to its undivided interest as reduced by the court order under this provision. The court shall enter a decree reflecting the reallocation of undivided interests, and the award shall include just compensation to the co-owner of the unit partially taken for that part of the undivided interest in the common elements divested from the co-owner and not revested in the co-owner pursuant to provision (d), as well as for the part of the unit taken by eminent domain.

- d. If the taking of part of a unit makes it impractical to use the remaining part of that unit for a lawful purpose permitted by the condominium documents, the entire undivided interest in the common elements appertaining to that unit shall be reallocated to the remaining units in the project in proportion to their undivided interests in the common elements. The remaining part of the unit shall then be a common element. The court shall enter an order reflecting the reallocation of undivided interests, and the award shall include just compensation to the co-owner of the unit for the co-owner's entire undivided interest in the common elements and for the entire condominium unit.
 - e. Votes in the association and liability for future administration expenses pertaining to a unit that is taken or partially taken by eminent domain shall be reallocated to the remaining units in proportion to their voting strength in the association. The voting strength in the association of a unit that is partially taken shall be reduced in proportion to the reduction in its undivided interest in the common elements.
5. Mortgagees. Nothing contained in the Condominium Documents shall be construed to give a Condominium unit owner, or any other party, priority over any rights of mortgagees of Condominium units pursuant to their mortgages in the case of a distribution to Condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium units, common elements or both.

ARTICLE VII USE AND OCCUPANCY RESTRICTIONS

1. Establishment of Restrictions. In order to provide for congenial occupancy of the Condominium, and for the protection of the value of the units, the use of condominium property shall be subject to the following limitations:
 - a. Residential use. Condominium units shall be used exclusively for residential occupancy. No unit or common element shall be used for any purpose other than as a single-family residence or for other purposes customarily incidental to that use, except that professional and quasi-professional co-owners may use their residences as ancillary facilities to their offices established elsewhere, as long as such use does not generate unreasonable traffic by members of the general public. However, these restrictions on use shall not be construed to prohibit a co-owner from (a) maintaining a personal professional library, (b) keeping personal business or professional records or accounts, or (c) handling personal business or professional telephone calls or correspondence. Such uses are customarily incidental to principal residential use and not in violation of these restrictions.

- b. Common areas. Except as provided in the Master Deed, only co-owners of units in the condominium and their agents, tenants, family members, invitees, and licensees may use the common elements for access to and from the units and for other purposes incidental to the use of the units. Any recreational facilities, storage areas, and other common areas designed for a specific use shall be used only for the purposes approved by the board. The use, maintenance, and operation of the common elements shall not be obstructed or unreasonably interfered with by any co-owner and shall be subject to any leases, concessions, or easements now or later entered into by the board.
- c. Specific prohibitions. Without limiting the generality of the preceding provisions in this article, the use of the project and all common elements by any co-owner shall be subject to the following restrictions:
- 1) No part of a unit may be rented and no transient tenants may be accommodated in a unit. However, this restriction shall not prevent the rental or sublease of an entire unit for residential purposes as provided in Article IX.
 - 2) No co-owner shall make any alterations, additions, or improvements to any general common element. Unit owners shall maintain the exterior of all improvements on the units in a neat and attractive manner and in a good state of repair.
 - 3) No nuisances shall be permitted on the condominium property, nor shall any use or practice that is a source of annoyance to the residents or that interferes with the peaceful possession or proper use of the condominium property by its residents be permitted. No immoral, improper, offensive, or unlawful use shall be made of the condominium property or any part of it. Reasonable residential garage sales are permitted on a unit provided it is held (1) no more often than once per year, (2) for no more than two successive days, and (3) for no more than six hours per day.
 - 4) No burning of brush, leaves or refuse is allowed on the premises.
 - 5) No signs, banners, or other such advertising devices shall be displayed that are visible from the exterior of any unit or on the common elements, except one sign of not more than five square feet advertising the property for sale. Signs which are allowed must be maintained in good condition at all times and removed upon the termination of their use.
 - 6) No co-owner shall display, hang, or store any clothing, sheets, blankets, laundry, or other articles outside a unit or inside the unit in a way that is visible from the outside of the unit, except for draperies, curtains, blinds, or shades of a customary type and appearance.
 - 7) No co-owner shall use or permit any occupant, agent, tenant, invitee, guest, or family member to use any firearms, air rifles, pellet guns, BB guns, bows and arrows, fireworks, or other dangerous weapons, projectiles, or devices anywhere on or around the condominium premises.
 - 8) No animals, including household pets, shall be kept without written consent from the association. The board of directors may revoke such consent at any time. Pets permitted by the association shall be kept in compliance with the rules and regulations promulgated by the board of

- directors and must always be kept and restrained so they are not obnoxious because of noise, odor, or unsanitary conditions. No animal shall be permitted to run loose on the common elements, limited or general, and the owner of each pet shall be responsible for cleaning up after it. No outside dog run or animal enclosure of any kind shall be permitted.
- 9) The association may charge any co-owner maintaining animals a reasonable additional assessment to be collected as provided in these Bylaws if the association determines such assessment to be necessary to defray the maintenance costs to the association of accommodating animals within the condominium. The association may also, without liability to the owner, have any animal removed from the condominium if it determines that the presence of the animal violates these restrictions. Any person who permits any animal to be brought on the condominium property shall indemnify the association for any loss, damage, or liability the association sustains as a result of the presence of the animal on the condominium property.
- 10) Co-owners shall park their automobiles and light trucks in the garage or on the driveway situated on a unit (unless this provision is waived or modified by the Association as to a particular unit or units). No boat trailers, boats, camping and recreational trailers and vehicles, snowmobiles, snowmobile trailers or vehicles other than automobiles or light trucks shall be parked on condominium property, outside of a garage, for more than 24 hours without written consent from the Association, and no snowmobile or other motorized vehicle shall be operated on the condominium property. Notwithstanding the previous provision, an occupied camping or recreational trailer or vehicle may be parked in the driveway of a unit for a period not exceeding 7 consecutive nights, but for no more than 7 nights (whether or not consecutive) in any 30-day period. All vehicles, recreational vehicles and trailers shall have current registration or license and be suitable for use on public property. No inoperable vehicle of any type may be brought or stored upon the property temporarily or permanently. No house trailers will be allowed on the Condominium premises. 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 all vehicles maintained in the Condominium with the Association. No go-carts or other children's motorized vehicles shall be operated on the common areas.
- 11) All garbage, trash and refuse of any nature shall be stored in closed containers properly concealed from public view and shall be promptly and properly disposed of off of the condominium property. The condominium property shall not be used or maintained as a dumping ground or for outside storage for rubbish, trash, garbage or other materials, except for such materials as are necessary for and used in the course of construction of improvement to the property. Such construction materials must be removed promptly upon completion of construction.

- 12) No further division of any lot shall be permitted at any time.
- 13) In the absence of an election to arbitrate pursuant to Article X of these Bylaws, a dispute or question whether a violation of any specific regulation or restriction in this article has occurred shall be submitted to the board of directors of the association, which shall conduct a hearing and render a written decision. The board's decision shall bind all owners and other parties that have an interest in the condominium project.

2. Construction Standards. The following restrictions will apply to construction by Co-owners on their units:

- a. Site Plan Review. The Developer or his designated agent(s), as Design Agent, shall review and approve the placement, design and exterior finish of the dwelling as well as other buildings and site improvements (including free standing mailboxes and free standing outdoor lighting fixtures) for any building or site improvement on any lot. This review applies to the original building and improvements and to later additions, alterations or improvements to the exterior thereof. The documents specified in subsection (m), below, shall be submitted for review.
- b. Residence Structure Area. No dwelling shall be erected, altered, placed or permitted to remain on the Unit unless the structure shall have an area above grade level on at least one floor of 720 square feet or more. In computing the area, portions of the structure included within exterior walls, partitions, and bay windows (if fully enclosed) shall be included. Porches, breezeways, basements and garages shall not be included.
- c. Height. All buildings shall comply with the applicable zoning ordinances and building codes.
- d. Setback. Building setbacks shall be subject to the Design Agent's approval.
- e. Construction Standards. All construction must meet the BOCA Building Code together with state and local ordinances and regulations. No dwelling shall be erected on any lot having exterior side walls less than 8 feet in height and having a roof pitch less than 4-12.
- f. Garages. An enclosed 2-stall garage, shall be attached to and become a part of the main structure. Garages, breezeways and porches shall have exterior walls constructed only of materials permitted for use on the main residence structure. Garage doors shall be no higher than 8 feet maximum.
- g. Outbuildings. No outbuildings, sheds or detached buildings of any kind shall be allowed except as provided here:
 - 1) Only one outbuilding not exceeding 200 square feet, shall be allowed on each unit.
 - 2) Any such outbuildings shall be of similar materials and architecturally conform to the main structure located on the unit.
- h. Length of Construction Period. All buildings commenced and/or remodeled shall be completed on the exterior within twelve months after start of construction, and all construction waste materials (including excess soil) shall be removed from the