

PRESTWICK

CONDOMINIUMS
AT BOULDER CREEK

MASTER DEED AND BYLAWS

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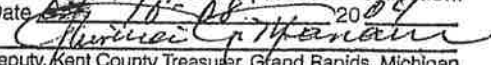

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MASTER DEED
PRESTWICK CONDOMINIUM
AT BOULDER CREEK

(Act 59, Public Acts of 1978)
 as amended

I HEREBY CERTIFY that there are No Tax Liens or Titles held by the State or any Individual against the within description, and all Taxes on same are paid for five years previous to the date of this instrument, as appears by the records in my office. This certificate does not apply to current taxes, if any now in process of collection.

Kent County Condominium Subdivision Plan No. 687

Date 10-23-04 2004

 Deputy, Kent County Treasurer, Grand Rapids, Michigan

- (1) Master Deed establishing Prestwick Condominium at Boulder Creek, a Condominium Project.
- (2) Exhibit A to Master Deed: Condominium Bylaws of Prestwick Condominium at Boulder Creek.
- (3) Exhibit B to Master Deed: Condominium Subdivision Plan for Prestwick Condominium at Boulder Creek.
- (4) Exhibit C to Master Deed: Affidavit of Mailing as to Notices required by Section 71 of the Michigan Condominium Act.

No interest in real estate is being conveyed by this Master Deed, no revenue stamps are required.

This instrument drafted by:

Steven A. Cook
 Redstone Group, Inc.
 947 Forest Hill SE, Suite A
 Grand Rapids, MI 49546

41-10-23-200-004 '87
 PPN 41-10-24-100-005 '72

VERIFIED BY PD&M AB

**MASTER DEED
PRESTWICK CONDOMINIUM
AT BOULDER CREEK**

**(Act 59, Public Acts of 1978)
as amended**

THIS MASTER DEED is made and executed on this 8th day of OCTOBER, 2004, by REDSTONE GROUP PRESTWICK LLC, a Michigan limited liability company, of 947 Forest Hill SE, Suite A, Grand Rapids, Michigan 49546 (the "Developer"), upon the terms and conditions set forth below.

ARTICLE I

ESTABLISHMENT OF CONDOMINIUM

1.1 Project. The Developer is engaged in the development of a project to be known as Prestwick Condominium at Boulder Creek (the "project"), in Plainfield Township, Kent County, Michigan, on a parcel of land as described in Article 2.1.

1.2 Establishment of Condominium. The Developer desires, by recording this Master Deed together with the Condominium Bylaws attached as Exhibit A and the Condominium Subdivision Plan attached as Exhibit B to establish the real property described in Article 2.1 (the "Property"), together with the improvements located and to be located on such Property, as a condominium project (the "Condominium") under the provisions of the Michigan Condominium Act, as amended (the "Act"). The Developer does hereby declare that upon the recording of this Master Deed, the Condominium shall be a Project under the Act and the Project shall be held, conveyed, encumbered, leased, rented, occupied, improved, or in any other manner used, subject to the provisions of the Act and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations contained in this Master Deed, all of which shall be deemed to run with the land and to be a burden upon and a benefit to the Developer, its successors and assigns, and to any persons who may acquire or own an interest in such real property, their grantees, successors, heirs, personal representatives, administrators, and assigns.

1.3 Project Description. The Project is a residential condominium that consists of 44 residential units (the "Units"). The Condominium Units that may be developed in the Project, including the number, boundaries, dimensions, and area of each Unit, are shown on the Condominium Subdivision Plan. Each of the Units is capable of individual use by reason of having its own entrance from and exit to a Common Element of the Project.

1.4 Co-Owner Rights. Each owner of a unit ("Co-owner") in the Project shall have an exclusive property right to the Co-owner's Unit and to the Limited Common Elements that are appurtenant to the Co-owner's Unit, and shall have an undivided right to share with other Co-owners in the ownership and use of the General Common Elements of the Project as described in this Master Deed.

ARTICLE II LEGAL DESCRIPTION

2.1 The Land. The land upon which the Project is situated, and which is submitted to condominium ownership pursuant to the provisions of the Act, is located in Plainfield Township, Kent County, Michigan, and legally described as follows:

Part of the NW 1/4, Section 24, and part of the NE 1/4, Section 23, T8N, R11W, Plainfield Township, Kent County, Michigan, described as: BEGINNING at the NW corner of said Section 24; thence N89°59'45"E 613.00 feet along the North line of said NW 1/4; thence S00°00'15"E 100.09 feet; thence S15°58'23"W 117.80 feet; thence S02°01'53"W 79.20 feet; thence S07°07'52"E 317.32 feet; thence S14°06'43"W 174.23 feet; thence S26°21'58"W 238.24 feet; thence N89°17'27"W 521.95 feet to the centerline of Brewer Avenue relocation; thence Northwesterly 184.39 feet along said centerline on a 900.00 foot radius curve to the right, the chord of which bears N06°00'35"W 184.07 feet; thence N00°08'25"W 800.00 feet along said centerline to the North line of the NE 1/4 of Section 23; thence N89°50'00"E 74.25 feet along said North line to the place of beginning.

2.2 Other Interests. The property submitted to condominium ownership by this Master Deed is subject to local zoning, building and use ordinances, to easements, restrictions and agreements of record, to the rights of the public and of any governmental unit in any part of the property taken, used or deeded for street or highway uses.

ARTICLE III DEFINITIONS

3.1 Definitions. Certain terms used in this Master Deed are defined terms and have the meaning given them in the text where they are defined, and the same meaning shall be ascribed to the term in various other instruments with regard to the Project such as, by way of example and not limitation, the Articles of Incorporation, Association Bylaws and Rules and Regulations of the Association, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in Prestwick Condominium at Boulder Creek as a Condominium Project. As used in such documents, unless the context otherwise requires:

a. "Act" or "Condominium Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

- b. "Arbitration Association" means the American Arbitration Association or its successor.
- c. "Association of Co-owners" or "Association" means the non-profit corporation organized under the laws of Michigan of which all Co-owners shall be members, which corporation shall administer, operate, manage and maintain the Project. The entity created by the Developer for this purpose is identified as Prestwick Condominium Association, a Michigan non-profit corporation. Any action required of or permitted to the Association shall be exercisable by its Board of Directors (the "Board of Directors" or "Board") unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.
- d. "Association Bylaws" means the corporate bylaws of the Association.
- e. "Common Elements," where used without modification, means the portions of the Project other than the Condominium Units, including all General and Limited Common Elements described in Article 4 of this Master Deed.
- f. "Condominium Bylaws" means Exhibit A to this Master Deed, which are the Bylaws setting forth the substantive rights and obligations of the Co-owners with respect to the Project.
- g. "Condominium Documents" means and includes this Master Deed and all of its exhibits, the Articles of Incorporation and Bylaws of the Association, the Rules and Regulations of the Association and any other instrument referred to in this Master Deed which affects the rights and obligations of a Co-owner in the Condominium.
- h. "Condominium property" means the land described in Article 2, as the same may be amended, together with all structures, improvements, easements, rights, and appurtenances located on or belonging to such property.
- i. "Condominium Subdivision Plan," "Subdivision Plan" or "Plan" means Exhibit B to this Master Deed, which is the set of the site, survey, floor plans, and other drawings depicting the real property and existing and proposed improvements to be included in the Project.
- j. "Condominium Unit" or "Unit" means that portion of the Project which is designed and intended for separate ownership and use by a Co-owner, as described in this Master Deed.
- k. "Co-owner" means the person, firm, corporation, partnership, association, trust or other legal entity or any combination of persons or entities who or which owns a Condominium Unit in the Project, including the vendee of any executory land contract of purchase if the land contract does not expressly designate otherwise. The term "Owner," wherever used, shall be synonymous with the term "Co-owner."

- l. "Developer" means Redstone Group Prestwick LLC, a Michigan limited liability company, which has made and executed this Master Deed, and its successors and assigns. Both "successors" and "assigns" shall always be deemed to be included within the term "Developer" whenever, however, and wherever such term is used in the Condominium Documents.
- m. "Development and Sales Period", for purposes of the Condominium Documents and the rights reserved by the Developer and its successors, shall be deemed to continue for as long as the Developer or its successors continue to own and offer for sale any Unit in the Project that has not been previously conveyed or leased.
- n. "General Common Elements" means those Common Elements of the Project described in Article 4.1 of this Master Deed which are for the use and enjoyment of all Co-owners of the Project.
- o. "Limited Common Elements" means those Common Elements of the Project described in Article 4.2 of this Master Deed which are reserved for the exclusive use of the Co-owner(s) of a specified Unit or Units.
- p. "Master Deed" means this document, together with the exhibits attached to it and all amendments to this document which may be adopted in the future.
- q. "Percentage of Value" means the percentage assigned to each Unit by this Master Deed, which is determinative of the value of a Co-owner's vote at meetings of the Association when voting by value or by number and value, and the proportionate share of each Co-owner's undivided interest in the Common Elements of the Project.
- r. "Project" or "Condominium" means Prestwick Condominium at Boulder Creek, a residential condominium development established in conformity with the provisions of the Act, and includes the land described in Article 2.1, as the same may be amended, all improvements and structures located or to be located on the land, and all easements, appurtenances and other rights belonging to Prestwick Condominium at Boulder Creek.
- s. "Township" or "Plainfield" means Plainfield Township, Kent County, Michigan, or its successor. When approval or other action of the Township is required by the Condominium Documents, the approval or action shall be by the governing body of the Township or by a committee, commission or person designated by the governing body.
- t. "Transitional Control Date" means the date on which a Board of Directors for the Association takes office pursuant to an election in which the votes that may be cast by eligible Co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

3.2 Gender and Number. Whenever any reference is made to one gender, it will be assumed to include any and all genders where such reference is appropriate; similarly, whenever a reference is made to the singular, the reference shall be assumed to include the plural where such reference is appropriate.

ARTICLE IV COMMON ELEMENTS

4.1 General Common Elements. The General Common Elements are:

- a. Real Estate. The Property described in Article 2 of this Master Deed, including easement interests benefiting the Condominium including, but not limited to, interests for ingress, egress, and utility installation and other purposes, over, across, and through non-Condominium properties, but excluding individual Units in the Project and the real estate designated as Limited Common Elements;
- b. Wiring Networks. The electrical, telephone, cable television, internet access systems and other telecommunications and service wiring networks throughout the Common Elements of the Project, including those transmission lines contained within common walls, floors and ceilings;
- c. Landscape Improvements. The lawns, trees, shrubs and other landscape improvements, including any block, boulder, concrete or wood retaining walls, located within the Common Elements of the Project;
- d. Gas. The natural gas distribution system, if any, throughout the Common Elements of the Project, including those distribution lines contained within the common walls, floors and ceilings;
- e. Access Paths. The private roadways and trails, if any, of the Project, and any sidewalks which do not lead to specific Unit(s), all traffic signs, gates, fencing and other equipment used in association with such access paths;
- f. Stormwater Drainage System. The stormwater drainage system throughout the Common Elements of the Project, including drainage ditches, culverts, pipes, stormwater detention ponds or retaining basins and any sump pump installed by the Developer within the basement of any Unit;
- g. Entry Improvements. The entry signage and other improvements, if any, located at or near the entry or entries to the Project;
- h. Recreational Areas. The recreational areas, if any, designated on the Condominium Subdivision Plan for common use and any equipment or structures associated with the recreational areas;

- i. Water. The underground sprinkling system, including wells, pumps and/or treatment systems, if any, and any water distribution system throughout the Common Elements of the Project, including those distribution lines contained within common walls, floors and ceilings;
- j. Sanitary Sewer. Any sanitary sewer system throughout the Common Elements of the Project, including those service lines contained within common walls, floors and ceilings, but excluding any parts of the system owned by any governmental entity or public authority;
- k. Heating and Air-Conditioning. The heating and/or air-conditioning conduits and ducts throughout the Common Elements of the Project, including those conduits and ducts contained within common walls, floors and ceilings;
- l. Building Elements. The foundations, roofs, perimeter walls, unit dividing walls and ceilings (including the drywall portion of the wall or ceiling, but not including the finished surface of the drywall, which is a Limited Common Element) as shown on Exhibit B (including chimneys), and floors (including the subfloor portion of the floor, but not including the finished surface of the floor, which is a Limited Common Element);
- m. Common Spaces. The common attic spaces, and the portions of any garage, other building or parking area not otherwise designated as a Unit or Limited Common Element on the Condominium Subdivision Plan;
- n. Common Lighting. Any system of lighting intended to illuminate the common access paths for the Project, but excluding any lighting designated as a Limited Common Element;
- o. Privacy Walls. The block, brick, wood and/or stucco privacy walls, if any, in the project;
- p. Miscellaneous. All other Common Elements of the Project which are not designated as Limited Common Elements and which are not enclosed within the boundaries of a Unit, and which are intended for common use or are necessary to the existence, upkeep, or safety of the Project.
- q. Ownership of utility and telecommunication systems. Some or all of the utility systems and/or cable television lines (including mains and services leads) and/or equipment may be owned by a governmental entity, public authority or utility or cable television company that is providing the pertinent service. Accordingly, such utility and/or cable television lines, systems and equipment shall be General Common Elements only to the extent of the Co-owners' or the Association's interest, if any, in them, and Developer makes no warranty whatsoever with respect to the nature or extent of such interest.

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4.2 Limited Common Elements. The Limited Common Elements are:

- a. Cable and Utility Service Lines. The pipes, ducts, wiring, cable, and conduits supplying service for electricity, gas, water, sewage, telephone, television internet access systems and/or other utility or telecommunication services located within a Condominium Unit and supplying service to that Unit alone;
- b. Patios, Porches and Decks. Each patio, porch and/or deck appurtenant to a Unit and the exterior hardware of each unit;
- c. Driveways and Sidewalks. The driveway leading to the garage and the sidewalk leading to the porch, which are appurtenant to the Unit(s) which they service, and any parking areas which may be designated for use by fewer than all of the Co-owners;
- d. Delivery Boxes. The mail and/or newspaper box located on a Unit or permitted by the Association on the General Common Elements to serve the Unit;
- e. Heating and Cooling Appliances. The fireplace combustion chamber and flue, and the separate furnace, water heater, humidifier, air conditioner and/or compressor and all related equipment located within or adjacent to a Unit or cluster of Units and serving only that Unit or cluster of Units;
- f. Exterior Windows and Sliders. The garage door, the automatic garage door opening mechanism, and the windows, sliders, doors, and/or screens located within or adjacent to any Unit exterior wall;
- g. Garage Interiors. Garage interior spaces, and the interior surfaces of garage walls, ceilings and floors;
- h. Interior Unit Surfaces. The interior surfaces of perimeter walls, ceilings and floors located within a Condominium Unit;
- i. Exterior Light Fixture. The light fixtures attached to the exterior of each Unit; and
- j. Miscellaneous. Any other improvement designated as a Limited Common Element appurtenant to a particular Unit or Units on the Condominium Subdivision Plan or in any future amendment to the Master Deed.

If no specific assignment of one or more of the Limited Common Elements described in this Article has been made in the Condominium Subdivision Plan, the Developer (during the Development Period) and the Association (after the Development Period has expired) reserve the right to designate each such space or improvement as a Limited Common Element appurtenant to a particular Unit or Units by subsequent amendment or amendments to this Master Deed.

4.3 Co-owner Maintenance Responsibilities. The responsibility for the cost of cleaning, maintenance, decoration, repair, and replacement of a Unit, and all improvements located within the Unit (including cabinetry, appliances and fixtures) shall be the responsibility of the Co-owner of the Unit. The responsibility for the cost of cleaning, maintenance, decoration, repair, and replacement of the Limited Common Elements appurtenant to a Unit shall be the responsibility of the Co-owner of the Unit which is served thereby (except as noted in Article 4.4 below), and includes the following:

- a. Utility Service Lines. Each Co-owner shall be responsible for the cost of maintenance, repair and replacement of the cable and utility service lines appurtenant to the Co-owners Unit.
- b. Heating and Cooling Appliances. Each Co-owner shall be responsible for the cost of maintenance, repair and replacement of the individual heating and cooling unit, and all related equipment, appurtenant to the Co-owners Unit.
- c. Exterior Windows, Sliders, Doors and Screens. Each Co-owner shall be responsible for the cost of maintenance, repair and replacement of the exterior windows, sliders, doors, screens, garage door, and garage door opening mechanism appurtenant to the Co-owners Unit. The materials and colors of garage doors must be approved in advance by the Developer (or by the Association following the Development Period). No changes in design, materials, or color of doors, windows, glass or screens may be made without the prior written approval of the Developer (or of the Association following the Development Period).
- d. Garage Interiors. Each Co-owner shall be responsible for the cost of maintenance, repair and replacement of the garage interiors.
- e. Exterior Building Lighting. Each Co-owner shall be responsible for the maintenance of the exterior building lighting attached to the Co-owners Unit. The size and nature of light bulbs for the exterior building lighting fixtures shall be determined by the Association in its discretion. No Co-owner shall modify or change exterior building lighting fixtures in any way, and no Co-owner shall cause the electricity flow for operation of the lighting fixtures to be interrupted at any time; however, each Co-owner shall replace burned out light bulbs with light bulbs of the same kind and character.
- f. Utility Costs. Each Co-owner shall be responsible for the cost of utilities serving the Co-owner's Unit and appurtenant common elements, except that the Association shall be responsible for the cost of trash removal service and municipal water service to the Project, the cost of which shall be borne by individual Co-owners as part of monthly assessments.
- g. Association Oversight. The appearance of the decks, porches, driveways, and Unit walkways shall at all times be subject to the approval of the Association. In the event that the cleaning and decoration of such common elements by the responsible Co-owner does not conform to reasonable aesthetic and maintenance standards established

by the Association, the Association will have the right to take such action as may be necessary to bring such common elements up to required standards and to charge all costs incurred to the Co-owner responsible for cleaning, repair, and maintenance.

4.4 Association Maintenance Responsibilities. The Association's responsibilities for the maintenance, repair and replacement of the Common Elements will be as follows:

a. General Common Elements. The Association, by its Board of Directors, shall be responsible for the maintenance, repair and replacement of the General Common Elements and those Limited Common Elements as described in Article 4.4 (b). The cost of maintenance, repair and replacement of all the General Common Elements, and any Limited Common Elements for which the Association is responsible, shall be borne by the Association and assessed to the Co-owners as set forth in the Bylaws, except to the extent of repair or replacement of a Common Element due to the act or neglect of a Co-owner or a Co-owner's agent, invitee, family member or pet:

b. Other Common Elements. The Association's responsibility for the maintenance, repair and replacement of other Common Elements will be as follows:

(1). Driveways and Walkways. The Association shall be responsible for the cost of maintenance, repair and replacement of the driveway and walkway appurtenant to the Co-owners Unit. The Association shall also be responsible for contracting for snow removal from the private roadways and from the driveway, walkway and front porch step of each Unit.

(2). Patios, Porches and Decks. The Association shall be responsible for the cost of maintenance, repair and replacement of any porch, patio and/or deck appurtenant to the Co-owners Unit. The Association shall also determine how often, and in what manner, the deck is cleaned and stained, and the Association shall contract with a service provider for the periodic cleaning and staining of decks within the Project.

(3). Trash removal and water service. The Association shall be responsible for providing trash removal service and municipal water service for all of the Units in the Project.

(4). Delivery boxes. The Association shall be responsible for the cost of maintenance, repair and replacement of each Unit's delivery box.

c. Co-owner Neglect. Notwithstanding any provision in this Article 4.4 to the contrary, to the extent that cleaning, repair or replacement of any Common Element is needed due to the act or neglect of a Co-owner or his or her agent, invitee, family member or pet, such Co-owner shall be liable for such costs.

4.5 Power of Attorney. By acceptance of a deed, mortgage, land contract or other instrument of conveyance or encumbrance, all Co-owners, mortgagees and other interested parties shall be deemed to have appointed the Developer (during the Development Period) and/or the Association (after the Development Period has expired) as their agent and attorney, to act in

connection with all matters concerning the Common Elements and their respective interests in the Common Elements. Without limiting the generality of this appointment, the Developer (or Association) will have full power and authority to grant easements over, to sever or lease mineral interests in, and/or to convey title to, the land and/or improvements constituting the General Common Elements or any part of them, to dedicate as public streets any part of the General Common Elements, to amend the Condominium Documents for the purpose of assigning or reassigning the Limited Common Elements and in general to execute all documents and to do all things necessary or convenient to the exercise of such powers.

4.6 Assignment and Reassignment. A Limited Common Element may be assigned and reassigned, upon notice to any affected mortgagee, by written application to the Board of Directors by all Co-owners whose interest will be directly affected by the (re)assignment. Upon receipt of such application, the Association shall promptly prepare or cause to be prepared and executed an amendment to this Master Deed (re)assigning all rights and obligations with respect to the Limited Common Elements involved, and shall deliver such amendment to the Co-owners of the Units affected upon payment by them of all reasonable costs for the preparation and recording of the amendment.

4.7 Seperability. Except as provided in this Master Deed, Condominium Units shall not be separable from their appurtenant Common Elements and neither a Unit nor a Common Element shall be used in any manner inconsistent with the purposes of the Project or in any other way which will interfere with, or impair the rights of, any other Co-owner in the use and enjoyment of the Co-owner's Unit or appurtenant Common Elements.

ARTICLE V

DESCRIPTION AND PERCENTAGE OF VALUE

5.1 Description of Units. A complete description of each Condominium Unit in the Project, with elevations referenced to an official benchmark of the United States Geological Survey, is set forth in the Condominium Subdivision Plan as prepared by the Project's consulting engineers and surveyors. Each Unit shall include the airspace located within Unit boundaries from the interior surfaces of the walls, ceilings and subfloors, as shown on Exhibit B and delineated with heavy outlines (but not including any Common Element that may be located within that description).

5.2 Percentage of Value. The total percentage of value of the Project is 100, and the percentage of such value assigned to each of the Condominium Units of the Project shall be equal. The determination that Percentages of Value for all Units shall be equal was made after reviewing the comparative characteristics of each Unit and the allocable expenses of maintenance for each Unit and concluding that there are no material differences among them insofar as the allocation of Percentages of Value is concerned. Except as otherwise provided in this Master Deed, such Percentages of Value shall be changed only in the manner provided by Article 9 expressed in an amendment to the Master Deed, duly executed and recorded.

5.3 Unit Modification. The number, style, size and/or location of Units or of any Limited Common Element may be modified from time to time, in Developer's sole discretion, by

amendment effected solely by the Developer without the consent of any Co-owner, mortgagee or other person, so long as such modifications do not unreasonably impair or diminish the appearance of the Project or the view, privacy or other significant attribute or amenity of any Unit which adjoins or is proximate to the modified Unit or Limited Common Element; provided, that no Unit which has been sold or is subject to a binding Purchase Agreement shall be modified without the consent of the Co-owner or purchaser and the mortgagee of such Unit. The Developer's (and, with the prior written approval of the Developer prior to the Transitional Control Date and of the Association thereafter, a Co-owner's) enclosing a Limited Common Element deck or patio or otherwise creating a four season porch as part of a Unit shall not be deemed to be a modification which unreasonably impairs or diminishes the appearance of the Project or the view, privacy or other significant attribute or amenity of any other Unit. The Developer may also, in connection with any such amendment, readjust Percentages of Value for all Units in a manner which gives reasonable recognition to such modifications based upon the method of original determination of Percentage of Value for the Project. All Co-owners, mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have unanimously consented to such amendments and to have granted a power of attorney to the Developer for such purpose which is similar in nature and effect to the power of attorney described in Article 4.5 of this Master Deed.

ARTICLE VI
NONEXPANDABILITY OF CONDOMINIUM

The project is not an expandable project under the Michigan Condominium Act.

ARTICLE VII
CONTRACTION, CONVERSION AND COMPLETION OF PROJECT

7.1 Contraction.

a. Withdraw of Units. The number of Units in the Project may, at the option of the Developer from time to time within a period ending not later than six years after the recording of the Master Deed, be decreased by the withdrawal of all or any portion of the lands described in Article 2.1; provided that no Unit that has been sold or that is the subject of a binding purchase agreement may be withdrawn without the consent of the Co-owner, purchaser and/or mortgagee of such Unit. Other than as provided in this Article, there are no restrictions or limitations on the right of the Developer to withdraw lands from the Project or as to the portion or portions of land that may be withdrawn; provided, however, that the lands remaining will not be reduced to less than necessary to accommodate the remaining Units in the Project with reasonable access and utility service to such Units.

b. Addition after Contraction. Developer reserves the right, subsequent to such withdrawal, but prior to six (6) years from the date of recording of this Master Deed, to expand the reduced Project to include all or any portion of the land which had been earlier withdrawn.

c. Contraction Not Mandatory. There is no obligation on the part of the Developer to contract the Condominium Project nor is there any obligation to add or withdraw portions of the Project in any particular order nor to construct particular improvements on any withdrawn lands. The Developer may, in its discretion, establish all or a portion of the lands withdrawn from the Project as a separate condominium project (or projects) or as any other form of development. Any development on the withdrawn lands will, however, not be materially detrimental to the Project.

d. Withdraw of Property. If the Development and construction of all improvements in the Project has not been completed within a period ending ten years after the date on which construction was commenced, or six years after the date on which rights of contraction or conversion were last exercised, whichever is last to occur, the Developer shall have the right to withdraw all remaining undeveloped portions of the Project without the consent of any co-owner, mortgagee or other interested party. Any undeveloped portions not so withdrawn before the expiration of the time periods shall remain as General Common Elements of the Project, and all rights to construct Units on such land shall cease.

e. Access and Use of Withdrawn Property. At the option of the Developer, any undeveloped portions of the project that have been withdrawn under the provisions this Article shall be granted easements for access and utility installation over, across, and through the remaining project, subject to the payment of a pro rata share of the cost of maintaining such easements based upon the number of Units developed on the withdrawn lands to the number of Units developed in the remaining project. Removed lands shall be developed in a manner that is not detrimental to, or inconsistent with, the character of the remaining project.

7.2 Conversion. Developer reserves the right, on behalf of itself, and the Association after the Development Period, to convert any General Common Element into a Limited Common Element appurtenant to one or more Units for the purposes of facilitating the installation, replacement, operation, repair and maintenance of a sidewalk, or a private drive access to a roadway of the Project, or to facilitate the construction of an auxiliary building or swimming pool. All exercises of the conversion rights described in this Article shall be reflected by an appropriate amendment(s) to the Master Deed. In connection with exercise of such reserved rights, the Developer or the Association, as the case may be, shall have the right with the consent of the affected Co-owner, to relocate the boundaries of a Unit and to convert any Unit or Limited Common Element area into a General Common Element.

7.3 Amendments to the Master Deed. Any contraction, withdrawal or conversion of the Project by the Developer will be given effect by an appropriate amendment(s) to the Master Deed, which amendment(s) will not require the consent or approval of any co-owner, mortgagee or other interested person. Such Amendments(s) shall be prepared by and at the sole discretion of the Developer, and may adjust the percentages of value assigned by Article 5.2 in order to preserve a total value of 100% for the entire Project. The precise determination of the re-adjustments in percentages of value, if any, will be made in the sole judgment of the Developer.

7.4 Additional Provisions. Any amendment or amendments to the Master Deed made by the Developer to contract or convert as set forth in this Article may also contain such provisions as the Developer may determine necessary or desirable including, but not limited to, provisions: (i) to create easements burdening or benefiting any portion of the Project affected by the amendment(s); and (ii) to create or change restrictions or other terms and provisions, including designations and definition of Common Elements, affecting any portion of the Project affected by the amendment(s), as reasonably necessary in the Developer's judgment to enhance the value or desirability of the Project.

ARTICLE VIII EASEMENTS

8.1 Easements. The easements shown on the Condominium Subdivision Plan shall benefit and burden the Condominium Units and Common Elements as shown on Exhibit B, and shall be maintained by the Association unless otherwise provided in the Condominium Documents.

8.2 Easements for Support, Maintenance, and Repair. Every portion of a Condominium Unit that contributes to the structural support of a building not entirely within the Unit shall be burdened with an easement of structural support for the benefit of the Common Elements within the building. In the event that any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to the shifting, settling, or moving of a building, or due to survey errors or construction deviations, reciprocal easements shall exist for the maintenance of the encroachment for so long as the encroachment exists, and for the maintenance of the encroachment after rebuilding in the event of destruction. There shall also be permanent easements in favor of the Association (and/or the Developer during the Development and Sales Period) for the maintenance and repair of Common Elements for which the Association (or Developer) may from time to time be responsible or for which it is permitted to and elects to assume responsibility, and there shall be easements to, through, and over those portions of the land, structures, buildings, improvements, and walls (including interior Unit walls) as may be reasonable for the installation, maintenance, and repair of all utility services furnished to the Project. Public utilities shall have access to the Common Elements and to the Units at such times as may be reasonable for the installation, repair, or maintenance of such services, and any costs incurred in the opening or repairing of any building, wall, or other improvement to install, repair, or maintain utility services shall be an expense of administration assessed against all Co-owners in accordance with the Condominium Bylaws.

8.3 Easements Reserved by Developer. Until the initial sale of all Units that may be created under the provisions of this Master Deed or of any other project developed by the Developer or its successors on the property has been completed, the Developer reserves nonexclusive easements that may be used at any time or times for the benefit of itself, its successors, and assigns:

- a. to use, improve, and/or extend all roadways, drives, and walkways in the

Condominium for the purpose of ingress and egress to and from any Unit or real property owned by it; and

b. to use, tap, tie into, extend, and/or enlarge all utility lines and mains, public and private, located on the land described in Article 2.1.

The easements described in this section are subject to payment by the owners of a proportionate share (based on the total number of residences using the easements) of the cost of maintenance and repair of the improvements constructed in such easements.

8.4 Golf Course Easement. Each Unit in the project is burdened with an easement for golf balls that come onto the Unit from the adjacent golf course. The Association and each Co-owner agrees to indemnify the Developer and the owners of the Boulder Creek Golf Club, any successor in title to the golf course, their respective officers, directors, employees, agents, and assigns harmless from all costs, liabilities, and damages in the event of injury or damage to persons or property from golf balls or injuries or damage caused by golfers who come onto Units or appurtenant Common Elements from the golf course. Any individuals from the golf course are not relieved of any liability they may have for their own individual actions, but the Developer and the owners of the adjacent golf course are indemnified and held harmless by the Association and each individual Co-owner with regard to any damages caused to themselves, their property, or other parties on their Unit or appurtenant Common Elements as a result of such golf balls or persons.

8.5 Easement Golf Cart Path. The Condominium property is burdened by easements for a golf cart path as shown on Exhibit B. The easement shall be maintained by the owner of the adjacent golf course, or its successors and assigns. To the extent of any damage caused by any maintenance or repair it shall be restored by the party using and being benefited by the easement.

ARTICLE IX AMENDMENT AND TERMINATION

9.1 Pre-Conveyance. If there is no Co-owner other than the Developer, the Developer may unilaterally amend the Master Deed (including Exhibits A and B) or, with the consent of any interested mortgagee, unilaterally terminate the Project. All documents reflecting such amendment or termination shall be recorded in the office of the Kent County Register of Deeds.

9.2 Post-Conveyance. If there is a Co-owner other than the Developer, the Master Deed may be amended for a proper purpose only as follows:

a. Non-Material Changes. The amendment may be made and recorded by the Developer or the Association without the consent of any Co-owner or mortgagee if the amendment does not materially alter or change the rights of any Co-owner or mortgagee. An amendment which does not materially change the rights of a Co-owner or mortgagee includes, without limitation: (i) amendments to modify the types and sizes of unsold Condominium Units and their appurtenant Limited Common Elements; (ii)

amendments correcting survey or other errors in the Condominium Documents; (iii) amendments for the purpose of facilitating conventional mortgage loan financing for existing or prospective Co-owners, and enabling the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the federal government or the State of Michigan; (iv) amendments to clarify or explain the provisions of the Master Deed or any other Condominium Document; and (v) with respect to any mortgagee, any other amendments which, in the written opinion of a licensed real estate appraiser, do not detrimentally change the value of any affected Unit.

b. Material changes. An amendment may be made, even if it will materially alter or change the rights of the Co-owners or mortgagees, with the consent of not less than two-thirds of the Co-owners and mortgagees (if required by law); provided, that a Co-owner's Unit dimensions or Limited Common Elements may not be modified without that Co-owner's consent, nor may the formula used to determine Percentages of Value for the Project or provisions relating to the ability or terms under which a Unit may be rented be modified without the consent of the Developer and each affected Co-owner. Rights reserved by the Developer, including without limitation rights to amend for purposes of contraction and/or modification of Units, shall not be amended without the written consent of the Developer so long as the Developer or its successors continue to own and to offer for sale any Unit in the Project.

c. Compliance with law. Amendments may be made by the Developer without the consent of Co-owners and mortgagees, even if the amendment will materially alter or change the rights of Co-owners and mortgagees, to achieve compliance with the Act or rules, interpretations, or orders adopted by the administrator or by the courts pursuant to the Act or with other federal, state, or local laws, ordinances, or regulations affecting the Project.

d. Reserved Developer rights. A material amendment may also be made unilaterally by the Developer without the consent of any Co-owner or mortgagee for the specific purpose(s) reserved by the Developer in this Master Deed. During the Development and Sales Period, this Master Deed and Exhibits A and B shall not be amended nor shall provisions be modified in any way without the written consent of the Developer, its successors, or assigns.

e. Costs of amendments. A person causing or requesting an amendment to the Condominium Documents shall be responsible for costs and expenses of the amendment, except for amendments based upon a vote of the Co-owners, the costs of which are expenses of administration. The Co-owners shall be notified of proposed amendments under this Article not less than 10 days before the amendment is recorded.

9.3 Project Termination. If there is a Co-owner other than the Developer, the Project may be terminated only with written consent of the Developer and not less than 80% of the Co-owners and mortgagees, as follows:

a. Termination Agreement. Agreement of the required number of Co-owners and mortgagees to termination of the Project shall be evidenced by their execution of a termination agreement or by written ratification of the termination agreement, and the termination shall become effective only when the agreement is so evidenced of record.

b. Real Property Ownership. Upon recordation of an instrument terminating the Project, the property constituting the Common Elements of the Project shall be owned by the Co-owners as tenants in common in proportion to their respective undivided interests in the Common Elements immediately before recordation. As long as the tenancy in common lasts, each Co-owner or the heirs, successors, or assigns of the Co-owner shall have an exclusive right of occupancy of that portion of the property, which formerly constituted his or her Condominium Unit.

c. Association Assets. Upon recordation of an instrument terminating the Project, any rights the Co-owners may have to the assets of the Association shall be in proportion to their respective undivided interests in the Common Elements immediately before recordation, except that common profits shall be distributed in accordance with the Condominium Documents and the Act.

d. Notice of Interested Parties. Notification of termination by first class mail shall be made to all parties interested in the Project, including escrow agents, land contract vendors, creditors, lienholders, and prospective purchasers who deposited funds. Proof of dissolution must be submitted to the Michigan Department of Consumer and Industry Services or its successor.

ARTICLE X
ASSIGNMENT OF DEVELOPER RIGHTS

10.1 Right to Assign. Any or all of the rights and powers granted to or reserved by the Developer in the Condominium Documents or by law, including without limitation the power to approve or to disapprove any act, use or proposed action, may be assigned by the Developer to any other entity or person, including the Association. Any such assignment or transfer shall be made by appropriate instrument in writing, and shall be duly recorded in the office of the Kent County Register of Deeds.

ARTICLE XI
LIMITATION OF LIABILITY

11.1 Limitation. The enforcement of any rights or obligations contained in the Condominium Documents against the Developer shall be limited to the interest of the Developer in the Project. No judgment against the Developer shall be subject to execution on, or be a lien on any assets of, the Developer other than the Developer's interest in the Project.

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Mary Hollinrake T20040030416
Kent County MI Register SEAL

The Developer has duly executed this Master Deed on the day and year, which appear in the opening paragraph of this Master Deed.

WITNESSES:

DEVELOPER:

Amber Troup
Amber Troup

REDSTONE GROUP PRESTWICK LLC,
a Michigan limited liability company

By: The Redstone Group, Inc.,
a Michigan corporation, its Manager

Barbara A. Good
Barbara A Good

By: Mark S. Buddy
Mark S. Buddy
Its: Vice President

STATE OF MICHIGAN)
) ss
COUNTY OF KENT)

On this 08TH day of October, 2004, before me, a notary public in and for said County, personally appeared Mark S. Buddy of The Redstone Group, Inc., a Michigan corporation, the Manager of Redstone Group Prestwick LLC, a Michigan limited liability company, to me known to be the same person described in and who executed this instrument and acknowledged that he executed it as his free act and deed on behalf of the corporation and the limited liability company.

Kimberly J. Buchanan

Notary Public, Kent County, MI
My Commission Expires:

KIMBERLY J. BUCHANAN
Notary Public, State of Michigan
County of Ottawa
My Commission Expires May 25, 2007
Acting in the County of Kent

EXHIBIT A

CONDOMINIUM BYLAWS
PRESTWICK CONDOMINIUM AT BOULDER CREEK

ARTICLE 1

ASSOCIATION OF CO-OWNERS

1.1 Organization. Prestwick Condominium at Boulder Creek is a residential condominium project located in Plainfield Township, Kent County, Michigan being developed in a single phase so as to comprise a total of 44 units. Upon the recording of the Master Deed, the management, maintenance, operation, and administration of the project shall be vested in an association of Co-owners organized as a nonprofit corporation under the laws of the State of Michigan. The entity created for this purpose is Prestwick Condominium Association (the "Association"). The Association will keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Project available at reasonable hours for inspection by Co-owners, prospective purchasers, mortgagees, and prospective mortgagees of Units in the Project.

1.2 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 provisions of Act No. 59, P.A. 1978, as amended, the Master Deed and any amendments, the Condominium Bylaws, and the Articles of Incorporation, Association Bylaws, and other Condominium Documents that pertain to the use and operation of the Project. The acceptance of a deed of conveyance, the entering into of a lease, or the act of occupying a Unit in the Project shall constitute an acceptance of the terms of the Condominium Documents and an agreement to comply with their provisions.

ARTICLE 2

MEMBERSHIP AND VOTING

2.1 Membership. Each Co-owner of a Unit in the Project, during the period of ownership, shall be a member of the Association, and no other person or entity will 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 a Unit.

2.2 Voting Rights. Each Co-owner will be entitled to one vote for each Unit owned when voting by number, and one vote, the value of which shall equal the total of the percentages

assigned to the Unit or Units owned, when voting by value. Voting shall be by number, except in those instances where voting is specifically required in the Master Deed or Bylaws to be by number and value, and no cumulation of votes shall be permitted.

2.3 Eligibility to Vote. No Co-owner, other than the Developer, will be entitled to vote at any meeting of the Association until the Co-owner has presented written evidence of ownership of a Unit in the Project, nor shall the Co-owner be entitled to vote (except for elections pursuant to Article 3.4) prior to the initial meeting of members. The Developer shall be entitled to vote only those Units to which the Developer still holds title and for which the Developer is paying the current assessment then in effect at the date on which the vote is cast.

2.4 Designation of Voting Representative. The person entitled to cast the vote for each 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 a Unit and filed with the Secretary of the Association. The certificate shall state the name and address of the individual representative designated, the number of the Unit owned, and the name and address of the person or persons, firm, corporation, partnership, association, trust, or other legal entity who is the Unit owner. All certificates shall be valid until revoked, until superseded by a subsequent certificate, or until a change has occurred in the ownership of the Unit.

2.5 Proxies. Votes may be cast in person or by proxy. Proxies may be made by any designated voting representative who is unable to attend the meeting in person. Proxies will be valid only for the particular meeting designated and any adjournment, and must be filed with the Association before the appointed time of the meeting or such other deadline as may be established in writing by the Board.

2.6 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 (or written vote, if applicable), shall constitute a majority for the approval of the matters presented to the meeting, except in those instances in which a majority exceeding a simple majority is required by these Bylaws, the Master Deed, or by law.

ARTICLE 3

MEETINGS AND QUORUM

3.1 Initial Meetings of Members. The initial meeting of the members of the Association may be convened only by the Developer and may be called at any time after two or more of the Units in the Project have been sold and the purchasers qualified as members of the Association. In no event, however, shall the initial meeting be called later than: (i) 120 days after the conveyance of legal or equitable title to non-Developer Co-owners of 75 percent of the total

number of Units in the project; or (ii) 54 months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit, whichever first occurs, at which 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 prior to the initial meeting, but no such informational meeting shall be construed as the initial meeting of members.

3.2 Annual Meeting of Members. After the initial meeting has occurred, annual meetings of the members shall be held in each year on a date and at a time and place selected by the Board of Directors. At least 20 days prior to the date of an annual meeting, written notice of the date, time, place, and purpose of such meeting shall be mailed or delivered to each member entitled to vote at the meeting; provided, that not less than 30 days' written notice shall be provided to each member of any proposed amendment to these Bylaws or to other recorded Condominium Documents.

3.3 Advisory Committee. Within one year after the initial conveyance by the Developer of legal or equitable title to a Co-owner of a Unit in the Project, or within 120 days after conveyance of one-third of the total number of Units in the Project, whichever first occurs, two or more persons shall be selected by the Developer from among the non-Developer Co-owners to serve as an Advisory Committee to the Board of Directors. The purpose of the Advisory Committee is to facilitate communication between the Developer appointed Board of Directors and the non-Developer Co-owners and to aid in the ultimate transition of control to the Co-owners. The members of the Advisory Committee shall serve for one year or until their successors are selected, and the Committee shall automatically cease to exist at the Transitional Control Date. The Board of Directors and the Advisory Committee shall meet with each other upon the request of the Advisory Committee; provided, however, that there shall be not more than two such meetings each year unless both parties agree.

3.4 Board Composition. Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 25 percent of the Units in the Project, at least one director and not less than one-fourth of the Board of Directors of the Association shall be elected by non-Developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 50 percent of the Units in the Project, not less than one-third of the Board of Directors shall be elected by non-Developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 75 percent of the Units in the Project, and before conveyance of 90 percent of such 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 one director as long as the Developer owns and offers for sale at least 10 percent of the Units in the Project.

3.5 Owner Control. If 75 percent of the Units in the Project have not been conveyed within 54 months after the first conveyance of legal or equitable title to a non-Developer Co-

owner, the non-Developer Co-owners shall have the right to elect the percentage of members of the Board of Directors of the Association equal to the percentage of Units they hold, and the Developer will have the right to elect the percentage of members of the Board equal to the percentage of Units that are owned by the Developer and for which assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights of directors otherwise established in Article 3.4. Application of this provision does not require a change in the size of the Board as designated in the Association Bylaws.

3.6 Mathematical Calculations. If the calculation of the percentage of members of the Board that the non-Developer Co-owners have a right to elect, or 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, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number. After application of this formula, the Developer shall have the right to elect the remaining members of the Board. Application of this provision shall not eliminate the right of the Developer to designate at least one member as provided in Article 3.4.

3.7 Quorum of Members. The presence in person or by proxy of 30 percent of the Co-owners entitled to vote shall constitute a quorum of members. The written vote of any Co-owner furnished at or prior to a meeting, at which meeting such Co-owner 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.

ARTICLE 4

ADMINISTRATION

4.1 Board of Directors. The business, property, and affairs of the Association shall be managed by a Board of Directors (the "Board") to be elected in the manner described in the Association Bylaws; provided, that the directors designated in the Articles of Incorporation shall serve until such time as their successors have been duly elected and qualified at the initial meeting of members. All actions of the first Board designated in the Articles of Incorporation or any successors to such directors selected by the Developer before the initial meeting of members shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors elected by the members of the Association, so long as such actions are within the scope of the powers and duties that may be exercised by a board as provided in the Condominium Documents. A service contract or management agreement entered into between the Association and the Developer or affiliates of the Developer shall be voidable without cause by the Board on the Transitional Control Date or within 90 days after the initial meeting has been held, and on 30 days' notice at any time thereafter for cause.

4.2 Powers and Duties. The Board shall have all powers and duties necessary for the

administration of the affairs of the Association, and may take all actions in support of the administration as are not prohibited by the Condominium Documents or specifically reserved to the members, including by way of example, the following:

- a. Care, upkeep, and maintenance of the Common Elements;
- b. Development of an annual budget and the determination, levy, and collection of assessments required for the operation and affairs of the Condominium;
- c. Employment and dismissal of contractors and personnel as necessary for the efficient management and operation of the Condominium Property;
- d. Adoption and amendment of rules and regulations, consistent with these Bylaws, governing the use of the Condominium Property;
- e. Opening bank accounts, borrowing money, and issuing evidences of indebtedness in furtherance of the purposes of the Association, and designating signatories required for such purpose;
- f. Obtaining insurance for the General Common Elements, the premiums of which shall be an expense of administration;
- g. Granting licenses for the use of the General Common Elements for purposes not inconsistent with the provisions of the Act or of the Condominium Documents;
- h. Authorizing the execution 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;
- i. Making repairs, additions, and improvements to, or alterations of, the Common Elements, and repairs to and restoration of the Common Elements after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;
- j. Asserting, defending, or settling claims on behalf of all Co-owners in connection with the Common Elements of the Project and, upon written notice to all Co-owners, instituting actions on behalf of and against the Co-owners in the name of the Association; and
- k. Such further duties as may be imposed by resolution of the members of the Association or that may be required by the Condominium Documents or the Act.

4.3 Books of Account. The Association shall keep books and records containing a detailed account of the expenditures and receipts of administration, which will specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and its members. Such accounts shall be open for inspection by the Co-owners and their mortgagees during reasonable hours. The Association shall also prepare

and distribute a financial statement to each Co-owner at least once a year, the contents of which will be defined by the Association. The books and records shall be reviewed annually and audited at such times as required by the Board of Directors by qualified independent accountants (who need not be certified public accountants), and the cost of such review or audit shall be an expense of administration.

4.4 Maintenance and Repair. The responsibility for maintenance and repair of Units and Common Elements is as follows:

- a. All maintenance of and repair to a Unit (other than maintenance and repair of General Common Elements located within a Unit) and to a Limited Common Element that is the responsibility of the Co-owner of a Unit as set forth in the Master Deed, shall be made by the Co-owner of the Unit. Any Co-owner who desires to make structural modifications to a Unit or Limited Common Element must first obtain the written consent of the Association and shall be responsible for all damages to the Common Elements resulting from such repairs.
- b. All maintenance of, repair to, and replacement for the General Common Elements, whether located inside or outside the Units, and to Limited Common Elements to the extent required by the Master Deed, shall be made by the Association and shall be charged to all the Co-owners as a common expense unless necessitated by the negligence, misuse, or neglect of a particular Co-owner, in which case the expense shall be charged to the Co-owner individually. The Association or its agent shall have access to each Unit from time to time during reasonable hours, upon notice to the occupant, for the purpose of maintenance, repair, or replacement of any of the Common Elements that are the responsibility of the Association located within or accessible only from a Unit. The Association or its agents shall also have access to each Unit at all times without notice for making emergency repairs necessary to prevent damage to other Units and/or to the Common Elements.

4.5 Reserve Fund. The Association shall maintain a reserve fund to be used for major repairs and replacement of the Common Elements as provided by section 105 of the Act. The fund shall be established in the minimum amount required 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 then-current annual budget of the Association on a noncumulative basis. The minimum reserve standard required by this section may prove to be inadequate, and the Board should carefully analyze the Project from time to time in order to determine if a greater amount should be set aside or if additional reserve funds shall be established for other purposes.

4.6 Construction Liens. A construction lien arising as a result of work performed on a Unit or on an appurtenant Limited Common Element shall attach only to the Unit upon which the work was performed, and a lien for work authorized by the Developer shall attach only to Condominium Units owned by the Developer at the time of recording the statement of account and lien. A construction lien for work authorized by the Association shall attach to each Unit only to the proportionate extent that the Co-owner of such Unit is required to contribute to the

expenses of administration. No construction lien shall arise or attach to a Condominium Unit for work performed on the General Common Elements not contracted for by the Association or the Developer.

4.7 Managing Agent. The Board may employ a management company or managing agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties described in Article 4.2. The Developer or any person or entity related to the Developer may serve as managing agent if so appointed; provided, however, that any compensation so paid to the Developer shall be at competitive rates.

4.8 Officers. The Association Bylaws shall provide 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 not inconsistent with these Bylaws. Officers may be compensated, but only upon the affirmative vote of 60 percent or more of all Co-owners.

4.9 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 not taken on behalf of the Association upon 10 days' notice to all Co-owners, in the manner and to the extent provided by the Association Bylaws. In the event that no judicial determination as to indemnification has been made, an opinion of independent counsel as to the propriety of indemnification shall be obtained if a majority of Co-owners vote to procure such an opinion.

ARTICLE 5

ASSESSMENTS

5.1 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, and personal property taxes levied on such property shall be treated as expenses of administration. 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 Project shall be expenses of administration, and all sums received as proceeds of, or pursuant to any policy of insurance covering the interests of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of such Common Elements shall be receipts of administration.

5.2 Determination of Assessments. Assessments will be determined in accordance with the following provisions:

- a. Initial budget. The Board of the Association shall establish an initial budget in advance

for each fiscal year, which budget will project all expenses for the coming year that may be required for the proper operation, management, and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. The annual assessment to be levied against each Unit in the Project shall then be determined on the basis of the budget. Copies of the budget will be delivered to each Co-owner, although the failure to deliver such a copy to each Co-owner will not affect or in any way diminish the liability of a Co-owner for any existing or future assessment.

- b. Budget assessments. Should the Board determine at any time, in its sole discretion, that the initial assessments levied are insufficient: (1) to pay the costs of operation and maintenance of the Common Elements; (2) to provide for the replacement of existing Common Elements; (3) to provide for additions to the Common Elements not exceeding \$5,000 annually; or (4) to respond to an emergency or unforeseen development; the Board is authorized to increase the initial assessment or to levy such additional assessments as it deems to be necessary for such purpose(s). The discretionary authority of the Board to levy additional assessments will rest solely with the Board for the benefit of the Association and its members, and may not be attached by or subject to specific performance by any creditors of the Association.

- c. Special assessments. Special assessments, in excess of those permitted by subsections (a) and (b), may be made by the Board from time to time with the approval of the Co-owners as provided in this subsection to meet other needs or requirements of the Association, including but not limited to: (1) assessments for additions to the Common Elements costing more than \$5,000 in any year; (2) assessments to purchase a Unit upon foreclosure of the lien described in Article 5.5; or (3) assessments for any other appropriate purpose not specifically described. Special assessments referred to in this subsection (but not including those assessments referred to in subsections (a) and (b), which will be levied in the sole discretion of the Board) will not be levied without the prior approval of 60 percent or more of all Co-owners. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and its members and may not be attached by or subject to specific performance by any creditors of the Association.

5.3 Apportionment of Assessments. All assessments levied against the Unit Owners to cover expenses of administration shall be apportioned among and paid by the Co-owners on an equal basis, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Unless the Board shall elect some other periodic payment schedule, annual assessments will be payable by Co-owners in 12 equal monthly installments, commencing with the acceptance of a deed to, or a land contract vendee's interest in a Unit, or with the acquisition of title to a Unit by any other means. The payment of an assessment will be in default if the assessment, or any part, is not received by the Association in full on or before the due date for such payment established by rule or regulation of the Association.

5.4 Expenses of Administration. The expenses of administration shall consist, among other things, of such amounts as the Board may deem proper for the operation and maintenance of the Condominium property under the powers and duties delegated to it and may include, without limitation, amounts to be set aside for working capital of the Condominium, for a general operating reserve, for a reserve for replacement, and for meeting any deficit in the common expense for any prior year; provided, that any reserves established by the Board prior to the initial meeting of members shall be subject to approval by such 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 containing common charges to all Co-owners.

5.5 Collection of Assessments. Each Co-owner shall be obligated for the payment of all assessments levied upon the Co-owner's Unit during the time that the person is the Co-owner of the Unit, and no Co-owner may become exempt from liability for the Co-owner's contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements, or by the abandonment of a Unit.

- a. Legal remedies. In the event of default by any Co-owner in paying the assessed common charges, the Board may declare all unpaid installments of the annual assessment for the pertinent fiscal year to be immediately due and payable. In addition, the Board may impose reasonable fines or charge interest at the legal rate on such assessments from and after the due date. Unpaid assessments, together with interest on the unpaid assessments, collection, and late charges; advances made by the Association for taxes or other liens to protect its lien; attorney fees; and fines in accordance with the Condominium Documents shall constitute a lien on the Unit prior to all other liens except tax liens in favor of any state or federal taxing authority and sums unpaid upon a mortgage of record recorded prior to the recording of any notice of lien by the Association, and the Association may enforce the collection of all sums due by suit at law for a money judgment or by foreclosure of the liens securing payment in the manner provided by section 108 of the Act. In a foreclosure proceeding, whether by advertisement or by judicial action, the Co-owner or anyone claiming under the Co-owner shall be liable for assessments charged against the Unit that become due before the redemption period expires, together with interest, advances made by the Association for taxes or other liens to protect its lien, costs, and reasonable attorney fees incurred in their collection.
- b. Sale of Unit. Upon the sale or conveyance of a Unit, all unpaid assessments against the Unit shall be paid out of the sale price by the purchaser in preference over any other assessment or charge except as otherwise provided by the Condominium Documents or by the Act. A purchaser or grantee may request a written statement from the Association as to the amount of unpaid assessments levied against the Unit being sold or conveyed. The purchaser or grantee shall not be liable for, and the Unit sold or conveyed shall not be subject to a lien for any unpaid assessments in excess of, the amount stated in a written response from the Association. Unless the purchaser or grantee requests a written statement from the Association at least five days before sale as provided in the Act,

however, the purchaser or grantee shall be liable for any unpaid assessments against the Unit together with interest, late charges, fines, costs, and attorney fees.

- c. Self-help. The Association may enter upon the Common Elements, Limited or General, to remove and abate any condition constituting a violation of the Condominium Documents, or may discontinue the furnishing of services to a Co-owner in default under any of the provisions of the Condominium Documents, upon seven days' written notice to such Co-owner of the Association's intent to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as the default continues; provided, that this provision shall not operate to deprive any Co-owner of ingress and egress to and from the Co-owner's unit.
- d. Application of payments. Money received by the Association in payment of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorney fees; second, to any interest charges and fines for late payment on such assessments; and third, to installments of assessments in default in order of their due dates.

5.6 Financial Responsibility of the Developer. The Developer of the Condominium, although a member of the Association, will not be responsible for payment of either general or special assessments levied by the Association during the Development and Sales Period

- a. Pre-turnover expenses. Prior to the initial meeting of Co-owners, it will be the Developer's responsibility to keep the books balanced, and to avoid any continuing deficit in operating expenses. At the time of the initial meeting, the Developer will be liable for the funding of any existing deficit of the Association that was incurred prior to the date of the initial meeting.
- b. Post-turnover expenses. After the initial meeting and for the duration of the Development and Sales Period, the Developer shall not be responsible for the payment of either general or special assessments levied by the Association on Units owned by the Developer that have not been conveyed or leased. To the extent the Developer holds title to Units that were previously conveyed or leased, the Developer shall be responsible for the same maintenance assessment levied against other Units in the Project and for all special assessments levied by the Association.
- c. Exempted transactions. At no time will the developer be responsible for the payment of any portion of any assessment that is levied for deferred maintenance, reserves for replacement or capital improvements or additions, or to finance litigation or other claims against the Developer, including any cost of investigating and/or preparing such litigation or claim, or any similar related costs.

ARTICLE 6

TAXES, INSURANCE, AND REPAIR

6.1 Real Property Taxes. Real property taxes and assessments shall be levied against the individual Units and not against the property of the Project except for the calendar year in which the Project was established. Taxes and assessments that become a lien against the property in the year in which the Project was established shall be expenses of administration and shall be assessed against the Units located on the land with respect to which the tax or assessment was levied in proportion to the Percentage of Value assigned to each Unit. Real property taxes and assessments levied in any year in which a vacation of the Project occurs shall be assessed only against the individual Units. For tax and special assessment purposes no Unit shall be combined with any other Unit or Units, and no assessment of any fraction of a Unit or combination of any Unit with other whole or partial Units shall be made, nor shall any division or split of the assessment or taxes of a single Unit be made, whether the Unit is owned by an individual or multiple Co-owners. Taxes for real property improvements made to or within a specific Unit shall be assessed against that Unit only, and each Unit shall be treated as a separate, single parcel of real property for purposes of property taxes and special assessments.

6.2 Insurance Coverage. The Association shall be appointed as attorney-in-fact for each Co-owner to act on insurance matters and shall be required to obtain and maintain, to the extent applicable: casualty insurance with extended coverage, vandalism and malicious mischief endorsements; liability insurance (including director's and officer's liability coverage if deemed advisable); and worker's compensation insurance pertinent to the ownership, use, and maintenance of the Common Elements of the Project. All insurance shall be purchased by the Board of Directors for the benefit of the Association, the Co-owners, the mortgagees, and the Developer, as their interests may appear. Such insurance, other than title insurance, shall be carried and administered according to the following provisions:

- a. Co-owner responsibilities. Each Co-owner will be responsible for obtaining insurance (generally Form HO-6) coverage for the Co-owner's personal property and improvements located within the Co-owner's Unit or elsewhere on the Condominium, for personal liability for occurrences within the Co-owner's Unit or on the Limited Common Elements appurtenant to the Co-owner's Unit, and for alternative living expenses in the event of fire or other casualty causing temporary loss of the Co-owner's Unit. All insurance carried by the Association or any Co-owner shall contain provisions waiving the right of subrogation as to any claims against any Co-owner or the Association for insured losses.
- b. Common element insurance. The General Common Elements of the Project shall be insured by the Association against fire and other perils covered by a standard extended coverage endorsement, to the extent deemed applicable and appropriate, in an amount to be determined annually by the Board.

- c. Fidelity insurance. The Association may obtain, if desired, fidelity coverage to protect against dishonest acts by its officers, directors, trustees, and employees and all others who are responsible for handling funds of the Association.

- d. Power of attorney. The Board is irrevocably appointed as the agent for each Co-owner, each mortgagee, other named insureds and their beneficiaries, and any other holder of a lien or other interest in the Condominium or the property, to adjust and settle all claims arising under insurance policies purchased by the Board and to execute and deliver releases upon the payment of claims.

- e. Indemnification. Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer, and the Association for all damages, costs, and judgments, including reasonable attorney fees, that any indemnified party may suffer as a result of defending claims arising out of an occurrence on or within an individual Co-owner's Unit or appurtenant Limited Common Elements. This provision shall not be construed to give an insurer any subrogation right or other right or claim against an individual Co-owner, the Developer or the Association.

- f. Premium expenses. Except as otherwise provided, all premiums upon insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

6.3 Reconstruction and Repair. The following provisions will control if any part of the Condominium property is damaged or destroyed:

- a. General Common Elements. If the damaged property is a General Common Element, the damaged property shall be repaired or rebuilt promptly unless 80 percent or more of the Co-owners and the institutional holders of mortgages on any Unit in the project agree to the contrary. Provided, that if the affected General Common Element is the common roadway providing the sole means of ingress and egress to one or more Units in the Project, it will be repaired or rebuilt unless the 80 percent or more of the Co-owners agreeing not to repair or rebuild includes the Co-owners of all such Units.

- b. Limited Common Elements and improvements. If the damaged property is a Limited Common Element or an improvement located within the boundaries of a Unit, the Co-owner of the applicable Unit or Units alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person having an interest in the property, and the Co-owner shall be responsible for the cost of any reconstruction or repair that the Co-owner elects to make. The Co-owner shall in any event remove all debris and restore the Unit and its improvements to a clean and slightly condition satisfactory to the Association within a reasonable period of time following the

occurrence of the damage.

- c. Reconstruction standards. Any reconstruction or repair shall be substantially in accordance with the Master Deed and the original plans and specifications for the improvements located within the Unit, unless prior written approval for changes is obtained from the Association.
- d. Procedure and timing. Immediately after the occurrence of a casualty causing damage that is to be reconstructed or repaired by the Association, 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 cover the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair the funds for the payment of such costs by the Association are insufficient, assessments shall be levied against all Co-owners in sufficient amounts to provide funds to pay the estimated or actual costs of reconstruction or repair.
- e. Withdrawal from the Condominium. If a decision to reconstruct is not made in the manner provided by subparagraphs (a) and (b) of section 6.3, provision for the withdrawal of the damaged property from the project and the provisions of the Act may be made by the affirmative vote of not fewer than 80 percent of the co-owners voting at a meeting called for the specific purpose. The meeting shall be held within 30 days following the final adjustment of insurance claims, if any, or within 90 days after the casualty happens, whichever first occurs. If any Unit or portion of a Unit is withdrawn, the percentage of ownership in the Common Elements appurtenant to the withdrawn property shall be reallocated among the remaining Units not withdrawn on the basis of the relative percentages of ownership in the Common Elements appurtenant to each remaining Unit. If only a portion of a Unit is withdrawn, the percentage of ownership in the Common Elements appurtenant to the Unit shall be reduced accordingly, upon the basis of the diminution in market value of such Unit, as determined by the Board.
- f. Allocation of proceeds. In the event of the withdrawal of a Unit, a Common Element or a portion of either, any insurance proceeds received by the Association shall be allocated among the withdrawn Units and/or Common Elements on the basis of the square footage withdrawn or such other equitable basis as the Board may determine. As compensation for such withdrawals: (1) any insurance proceeds allocated to withdrawn Units or portions of Units shall be applied in payment to the Co-owners of such Units in proportion to their relative percentages of ownership in the Common Elements appurtenant to such withdrawn Units, or portions of them; (2) any insurance proceeds allocated to withdrawn portions of the Limited Common Elements shall be applied in payment to the Unit Co-owners entitled to their use in proportion to their relative percentages of ownership in the Common Elements appurtenant to the Units served by

such Limited Common Elements; and (3) any insurance proceeds allocated to withdrawn portions of the General Common Elements shall be applied in payment to all Unit Co-owners in proportion to their relative percentages of ownership in the Common Elements. Upon the withdrawal of any Unit or portion of a Unit, the Co-owner shall be relieved of further responsibility or liability for the payment of any assessments, if the entire Unit is withdrawn, or for the payment of a portion of such assessments proportional to the diminution in square footage of such Unit, if only a portion of the Unit is withdrawn.

6.4 Eminent Domain. The following provisions will control upon any taking by eminent domain:

- a. Units. In the event of the taking of all or any portion of a Unit, the award for such taking shall be paid to the Co-owner of the Unit and any mortgagee of the Unit, as their interests may appear. If a Co-owner's entire Unit is taken by eminent domain, such Co-owner and any mortgagee shall, after acceptance of the condemnation award, be divested of all interest in the Project.
- b. Common Elements. In the event of the taking of all or any portion of the General Common Elements, the condemnation proceeds relative to the taking shall be paid to the Association for use and/or distribution to its members. The affirmative vote of 80 percent or more 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 the Co-owners deem appropriate.
- c. Amendment to Master Deed. In the event the Project continues after the taking by eminent domain, the remaining portion of the Project shall be resurveyed and the Master Deed amended accordingly. If any Unit shall have been taken, Article 5 of the Master Deed shall also be amended to reflect the taking and to proportionately readjust the Percentages of Value of the remaining Co-owners based upon the continuing total value of the Condominium of 100 percent. The amendment may be completed by an officer of the Association duly authorized by the Board without the necessity of execution or specific approval by any Co-owner.
- d. Notice to mortgagees. In the event any Unit in the Condominium, the Common Elements, or any portion of them is made the subject matter of an eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association shall promptly notify each holder of a publicly recorded mortgage lien on any of the Units in the Condominium.
- e. Inconsistent provisions. To the extent not inconsistent with the provisions of this Article, section 133 of the Act ("Contractable Projects") shall control upon any taking by eminent domain.

ARTICLE 7

USE AND OCCUPANCY RESTRICTIONS

7.1 Residential Use. Condominium Units shall be used exclusively for residential occupancy, and no Unit or appurtenant Common Element shall be used for any purpose other than that of a single family residence or purposes incidental to residential use. Home occupations conducted entirely within the residence that do not generate unreasonable traffic by members of the general public and do not change the residential character of the Unit or neighborhood, are permitted as incidental to primary residential use. No building intended for other business uses, and no apartment house, rooming house, day care facility, foster care residence, or other commercial and/or multiple-family dwelling of any kind shall be erected, placed, or permitted on any Unit

7.2 Common Areas. The Common Elements shall be used only by the Co-owners of Units in the Condominium and by their agents, tenants, family members, invitees, and licensees for access, ingress to, and egress from the respective Units, and for other purposes incidental to use of the Units; provided, that any parking areas, storage facilities, or other Common Elements designed for a specific purpose shall be used only for those purposes or other uses approved by the Board. The use, maintenance, and operation of the Common Elements shall not be obstructed, damaged, or unreasonably interfered with by any Co-owner, and shall be subject to any lease or easement presently in existence or entered into by the Board at some future date that affects all or any part of the Common Elements.

7.3 Use and Occupancy Restrictions. In addition to the general requirements of Articles 7.1 and 7.2, the use of the Project and its Common Elements by any Co-owner shall be subject to the following specific restrictions:

- a. Exterior changes. No Co-owner shall make any additions, alterations, or modifications to any of the Common Elements, nor make any changes to the exterior appearance or structural elements of the Unit without the prior written approval of the Association. The Association shall not approve any alterations or structural modifications that would jeopardize or impair the soundness, safety, or appearance of the Project. Any Co-owner may make alterations, additions, or improvements within the Co-owner's Unit without the prior approval of the Board, but the Co-owner shall be responsible for any damage to other Units, the Common Elements, or the property resulting from such alterations, additions, or improvements.
- b. Unit rental. No portion of a Unit may be rented, and no transient tenants may be accommodated in any building; provided, that this restriction shall not prevent the rental or sublease of an entire Unit together with its appurtenant Limited Common Elements for residential purposes in the manner permitted by these Bylaws.

- c. Nuisances. No nuisances shall be permitted on the property nor shall any use or practice be permitted that is a source of annoyance to, or that interferes with the peaceful possession or proper use of the Project by the Co-owners. No Unit shall be used in whole or in part for the storage of rubbish or trash, nor for the storage of any property or thing that may cause the Unit to appear in an unclean or untidy condition. No substance or material shall be kept on a Unit that will emit foul or obnoxious odors, or that will cause excessive noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of surrounding Units.
- d. Prohibited uses. No immoral, improper, offensive, or unlawful use shall be conducted on the property, and nothing shall be done or kept in any Unit or on the Common Elements that will increase the rate of insurance for the Project without the prior written consent of the Association. No Co-owner shall permit anything to be done or kept in the Co-owner's Unit or elsewhere on the Common Elements that will result in the cancellation of insurance on any Unit or any part of the Common Elements, or that will be in violation of any law.
- e. Signs. No signs or other advertising devices (other than one professionally made unlit sign, or a sign of substantially the same quality and appearance, not larger than four square feet in size, advertising a Unit for sale) that are visible from the exterior of the Unit or from the Common Elements shall be displayed on any Unit without written permission from the Association or its managing agent.
- f. Personal property. No Co-owner shall display, hang, or store any clothing, sheets, blankets, laundry, or other articles of personal property outside a Unit. This restriction shall not be construed to prohibit a Co-owner from placing and maintaining outdoor furniture and accoutrements and decorative foliage of a customary nature and appearance on a patio, deck, or balcony appurtenant to a Unit. Flowers, planters and other decorative foliage are allowed to be placed on the front porch or stoop.
- g. Firearms and weapons. No Co-owner shall use, or permit the use by any occupant, agent, tenant, invitee, guest, or member of the Co-owner's family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, illegal fireworks or other dangerous weapons, projectiles, or devices anywhere on or about the Project.
- h. Pets and animals. No animals of any kind may be kept or maintained in any Unit without the prior written consent of the Association, which consent, if given, may be revoked at any time by the Association. No exotic, savage, or dangerous animal shall be kept on the property, and no animal may be kept or bred for commercial purposes. Common household pets permitted under the provisions of this subsection shall be kept only in

compliance with the rules and regulations promulgated by the Board of directors from time to time, and must at all times be kept under care and restraint so as not to be obnoxious on account of noise, odor, or unsanitary conditions. No animal shall be permitted to run loose upon the Common Elements or within any Unit (except the Unit owned by the owner of such animal), and the owner of each pet shall be responsible for cleaning up after it.

The Association may charge a Co-owner maintaining animals a reasonable supplemental assessment if the Association determines that such an assessment is necessary to defray additional maintenance costs to the Association of accommodating animals within the Condominium. The Association may also, without liability to the owner of the pet, remove or cause any animal to be removed from the Condominium that it determines to be in violation of the restrictions imposed by this Article. Any person who causes or permits any animal to be brought to or kept on the Condominium property shall indemnify and hold the Association harmless from any loss, damage, or liability that the Association may sustain as a result of the presence of such animal on the Condominium property.

- i. Recreational vehicles. No recreational vehicles, boats, or trailers shall be parked or stored anywhere on the Condominium property, except within a Unit's garage, with the garage door closed, without the written approval of the Association. No snowmobile, all-terrain vehicle, or other motorized recreational vehicle shall be operated on the property. No maintenance or repair shall be performed on any boat or recreational vehicle except within a garage or residence where totally isolated from public view.

- j. Occupancy limitations. No more than 4 persons shall permanently occupy or reside in any two-bedroom Unit, and no more than 5 persons shall permanently occupy or reside in any Unit with three or more bedrooms, without the express prior written approval of the Association. In the event that a violation of this restriction by a family in occupancy of a Unit results from the birth or adoption of a child, or the marriage or remarriage of a family member, this restriction shall be suspended as to such family for a period of one year to provide such family a reasonable time to cure such violation or otherwise dispose of the Unit.

- k. Satellite dishes. A Co-owner may install a satellite dish on the Co-owner's Unit, subject to reasonable prior written approval by the Association as to size, location, color, and screening. To the extent required by applicable federal law, the Association's regulations shall not unreasonably impair a Co-owner's installation, maintenance, or use of the satellite dish.

- l. Application of restrictions. Unless there is an election to arbitrate pursuant to these Bylaws, a dispute or question as to whether a violation of any specific regulation or restriction contained in this Article has occurred shall be submitted to the Board, which

shall conduct a hearing and render a decision in writing; the decision shall be binding upon all Co-owners and other parties having an interest in the Project.

- m. Use of common elements. The General Common Elements shall not be used for the storage of supplies or personal property (except for such short periods of time as may be reasonably necessary to permit the placement of trash for collection the next day). No vehicles shall be parked on or along the private drive(s) (except in the event of approved parties or receptions generating a need for such parking), and Co-owners shall not personally use or obstruct any guest parking areas that may be located on the Common Elements of the Project without the prior consent of the Association. No Co-owner shall in any way restrict access to any utility line or other area that must be accessible to service the Common Elements or that affects an Association responsibility in any way. In general, no activity shall be carried on nor condition maintained by any Co-owner either in the Co-owner's Unit or upon the Common Elements that despoils the appearance of the Condominium.
- n. Wall mounted speakers. No wall mounted audio speakers may be mounted on any common walls between two adjacent Units.
- o. Landscaping. Each Co-owner may plant flowers (but no other plants or vegetation) in the General Common Element mulched planting bed immediately adjacent to the Co-owner's Unit. Other than this limited right to plant flowers only, no Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved in writing by the Board or permitted by the rules and regulations adopted by the Board.

7.4 Zoning Compliance. In addition to the restrictions contained in this Article, the use of any Unit must satisfy the requirements of the zoning ordinances of the municipality in which the Project is located in effect at the time of the contemplated use, unless a variance for such use is obtained from the municipality.

7.5 Rules of Conduct. Additional rules and regulations consistent with the Act, the Master Deed, and these Bylaws concerning the use of Units and Common Elements may be promulgated and amended by the Board. Copies of such rules and regulations must be furnished by the Board to each Co-owner at least 10 days prior to their effective date, and may be revoked at any time by the affirmative vote of 60 percent or more of all Co-owners.

7.6 Enforcement by Developer. The Project shall at all times be maintained in a manner consistent with the highest standards of a private residential community, used and occupied for the benefit of the Co-owners and all other persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligations to maintain, repair, replace, and

landscape in a manner consistent with the maintenance of such standards, the Developer, or any person to whom it may assign this right may, at its option, elect to maintain, repair, and/or replace any Common Elements or to do any landscaping required by these Bylaws and to charge the cost to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws throughout the Development and Sales Period, which right of enforcement shall include (without limitation) an action to restrain the Association or any Co-owner from any prohibited activity.

7.7 Co-owner Enforcement. An aggrieved Co-owner will also be entitled to compel enforcement of the Condominium Documents by action for injunctive relief and/or damages against the Association, its officers, or another Co-owner in the Project.

7.8 Remedies on Breach. In addition to the remedies granted by these Bylaws for the collection of assessments, the Association shall have the right, in the event of a violation of the restrictions on use and occupancy imposed by this Article, to enter the Unit and to remove or correct the cause of the violation. Such entry will not constitute a trespass, and the Co-owner of the Unit will reimburse the Association for all costs of the removal or correction. Failure to enforce any of the restrictions contained in this section will not constitute a waiver of the right of the Association to enforce restrictions in the future.

7.9 Reserved Rights of Developer. The restrictions contained in this Article shall not apply to the commercial activities of the Developer during the Development and Sales Period. The Developer shall also have the right to maintain a sales office, advertising display signs, storage areas, and reasonable parking incident to its sales efforts and such access to, from, and over the Condominium property as may be reasonable to enable development and sale of the entire Project.

7.10 Assignment and Succession. Any of the rights granted to or reserved by the Developer in the Condominium Documents or by law may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by an appropriate document in writing, signed by the Developer and recorded in the public records of the county in which the Project is located. Upon such qualification, the assignee will have the same rights and powers as those granted to or reserved by the Developer in the Condominium Documents.

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ARTICLE 8

MORTGAGES

8.1 Notice to Association. Any Co-owner who mortgages a Unit shall notify the Association of the name and address of the mortgagee (referenced in this Article as a "mortgagee"), and the Association will maintain such information. The information relating to mortgagees will be made available to the Developer or its successors as needed for the purpose of obtaining consent from, or giving notice to mortgagee concerning actions requiring consent or notice to mortgagees under the Condominium Documents or the Act.

8.2 Insurance. The Association shall notify each mortgagee of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief, with the amounts of the coverage.

8.3 Rights of Mortgagees. Except as otherwise required by applicable law or regulation, a mortgagee has the following rights:

- a. Inspection and notice. Upon written request to the Association, a mortgagee will be entitled to: (1) inspect the books and records relating to the Project upon reasonable notice; (2) receive a copy of the annual financial statement that is distributed to Co-owners; (3) notice of any default under the Condominium Documents by its mortgagor in the performance of the mortgagor's obligations that is not cured within 30 days; and (4) notice of all meetings of the Association and its right to designate a representative to attend the meetings.
- b. Exemption from restrictions. A mortgagee that comes into possession of a Unit pursuant to the remedies provided in the mortgage or by deed in lieu of foreclosure, shall be exempt from any option or right of first refusal on the sale or rental of the mortgaged Unit in the Condominium Documents.
- c. Past-due assessments. A mortgagee that comes into possession of a Unit pursuant to the remedies provided in the mortgage, or by deed in lieu of foreclosure, shall take the Unit free of any claims for unpaid assessments on charges against the mortgaged Unit that accrue prior to the time the mortgagee comes into possession, except for assessments having priority as liens against the Unit or claims for a pro rata share of such assessments or charges resulting from a reallocation of such assessments charged to all Units including the mortgaged Unit.

8.4 Additional Notification. When notice is to be given to a mortgagee, the Board shall also give such notice to the Federal Home Loan Mortgage Corporation, the Federal National

Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity participating in purchasing or guarantying mortgages of Units in the Condominium if the Board has notice of such participation.

ARTICLE 9

LEASES

9.1 Notice of Lease. A Co-owner, including the Developer, intending to lease a Unit, shall disclose that fact in writing to the Association at least 10 days before presenting a lease form to the prospective tenant and, at the same time, shall supply the Association with a copy of the lease form. No Unit shall be leased for a period of less than 90 days without the prior written consent of the Association.

9.2 Terms of Lease. Non Co-owner occupants of a Unit shall comply with all the conditions of the Condominium Documents of the Project, and all lease and rental agreements must require such compliance.

9.3 Remedies of Association. If the Association determines that any non Co-owner occupant has failed to comply with any conditions of the Condominium Documents, the Association may take the following action:

- a. Notice. The Association shall notify the Co-owner of the Unit by certified mail advising of the alleged violation by the non Co-owner occupant.
- b. Investigation. The Co-owner will have 15 days after receipt of the notice to investigate and correct the alleged breach by the non Co-owner occupant or to advise the Association that a violation has not occurred.
- c. Legal action. If, after 15 days, the Association believes that the alleged breach has not been cured or may be repeated, it may institute an action for eviction against the non Co-owner occupant and a simultaneous action for money damages (in the same or in a separate action) against both the Co-owner and the non Co-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this Article may be by summary proceeding. The Association may hold both the non Co-owner occupant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or non Co-owner occupant in connection with the Unit or the Project.

9.4 Liability for Assessments. If a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a non Co-owner occupant occupying the Co-owner's Unit under a lease or rental agreement and the non Co-owner occupant, after receiving such notice, shall deduct from rental payments due the Co-owner the full arrearage, and future assessments as they fall due, and pay them to the Association. Such deductions shall not be a breach of the lease agreement by the non Co-owner occupant.

ARTICLE 10

TRANSFER OF UNITS

10.1 Unrestricted Transfers. An individual Co-owner may, without restriction under these Bylaws, sell, give, devise, or otherwise transfer the Co-owner's Unit, or any interest in the Unit.

10.2 Notice to Association. Whenever a Co-owner shall sell, give, devise, or otherwise transfer the Co-owner's Unit, or any interest in the Unit, the Co-owner shall give written notice to the Association within five days after consummating the transfer. Such notice shall be accompanied by documents evidencing the title or interest transferred.

ARTICLE 11

ARBITRATION

11.1 Submission to Arbitration. Any dispute, claim, or grievance arising out of or relating to the interpretation or application of the Master Deed, Bylaws, or other Condominium Documents, and any disputes, claims, or grievances arising among or between Co-owners or between Co-owners and the Association may, upon the election and written consent of the parties to the dispute, claim, or grievance, and written notice to the Association, be submitted to arbitration. The parties shall accept the arbitrator's decision and/or award as final and binding. The commercial arbitration rules of the American Arbitration Association, as amended and in effect from time to time, shall be applicable to all such arbitrations.

11.2 Disputes Involving the Developer. A contract to settle by arbitration may also be executed by the Developer and any claimant with respect to any claim against the Developer that might be the subject of a civil action, provided that:

- a. Purchaser's option. At the exclusive option of a purchaser or Co-owner in the Project, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim

involves an amount less than \$2,500 and arises out of or relates to a purchase agreement, Unit, or the Project.

- b. Association's option. At the exclusive option of the Association of Co-owners, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim arises out of or relates to the Common Elements of the Project, if the amount of the claim is \$10,000 or less.

11.3 Preservation of Rights. Election by any Co-owner or by the Association to submit any dispute, claim, or grievance to arbitration shall preclude that party from litigating the dispute, claim, or grievance in the courts. Except as provided in this section, however, all interested parties shall be entitled to petition the courts to resolve any dispute, claim, or grievance in the absence of an election to arbitrate.

ARTICLE 12

OTHER PROVISIONS

12.1 Definitions. All terms used in these Bylaws will have the same meaning assigned by the Master Deed to which the Bylaws are attached, or as defined in the Act.

12.2 Severability. In the event that any of the terms, provisions, or covenants of these Bylaws or of any Condominium Document are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify, or impair any of the other terms, provisions, or covenants of such documents or the remaining portions of any terms, provisions, or covenants held to be partially invalid or unenforceable.

12.3 Notices. Notices provided for in the Act, Master Deed, or Bylaws shall be in writing and shall be addressed to the Association at its registered office in the State of Michigan and to any Co-owner at the address contained in the deed of conveyance, or at such other address as may subsequently be provided. The Association may designate a different address for notices to it by giving written notice of such change of address to all Co-owners. Any Co-owner may designate a different address for notices by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States mail with postage prepaid or when delivered in person.

12.4 Amendment. These Bylaws may be amended, altered, changed, added to, or repealed only in the manner prescribed in the Master Deed.



20041008-0135052 10/08/2004
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Mary Hollinrake T20040030416
Kent County MI Register SEAL

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

1. the Master Deed, including the Condominium Subdivision Plan (but excluding these Bylaws);
2. these Condominium Bylaws;
3. the Articles of Incorporation of the Association;
4. the Association Bylaws;
5. the rules and regulations of the Association; and
6. the Disclosure Statement.

ATTENTION: COUNTY REGISTER OF DEEDS, THE CONDOMINIUM SUBDIVISION PLAN NUMBER MUST BE ASSIGNED IN CONSECUTIVE SEQUENCE. WHEN A NUMBER HAS BEEN ASSIGNED TO THIS PROJECT IT MUST BE PROPERLY SHOWN ON THIS SHEET AND IN THE SURVEYORS CERTIFICATE ON SHEET

KENT COUNTY CONDOMINIUM SUBDIVISION PLAN NO. _____
 EXHIBIT "B" TO THE MASTER DEED OF:

PRESTWICK CONDOMINIUM AT BOULDER CREEK

PLAINFIELD TOWNSHIP, KENT COUNTY, MICHIGAN

SURVEYOR:

EXCEL ENGINEERING INC.
 5252 CLYDE PARK S.W.
 GRAND RAPIDS MI 49509

DEVELOPER:

REDSTONE GROUP PRESTWICK, LLC
 947 FOREST HILL S.E., SUITE A
 GRAND RAPIDS MI 49546

DESCRIPTION:

Part of the NW 1/4, Section 24, and part of the NE 1/4, Section 23, T8N, R11W, Plainfield Township, Kent County, Michigan, described as BEGINNING at the NW corner of said Section 24; thence N89°59'45"E 613.00 feet along the North line of said NW 1/4; thence S00°00'15"E 100.08 feet; thence S15°58'23"W 117.80 feet; thence S02°01'53"W 79.20 feet; thence S07°07'52"E 317.32 feet; thence S14°06'43"W 174.23 feet; thence S26°21'58"W 238.24 feet; thence N69°17'27"W 521.95 feet to the centerline of Brewer Avenue relocation; thence Northwest 184.39 feet along said centerline on a 900.00 foot radius curve to the right, the chord of which bears N06°00'35"W 184.07 feet; thence N00°05'25"W 800.00 feet along said centerline to the North line of the NE 1/4 of Section 23; thence N69°50'00"E 74.25 feet along said North line to the place of beginning.

- SHEET INDEX**
- 1 COVER SHEET
 - 2 SURVEY PLAN
 - 3 SITE PLAN
 - 4 UTILITY PLAN
 - 5 TYPICAL DUPLEX BUILDING

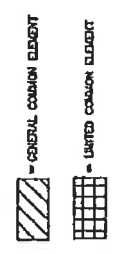


James A. Swanson
 PROPOSED OCTOBER 8, 2004

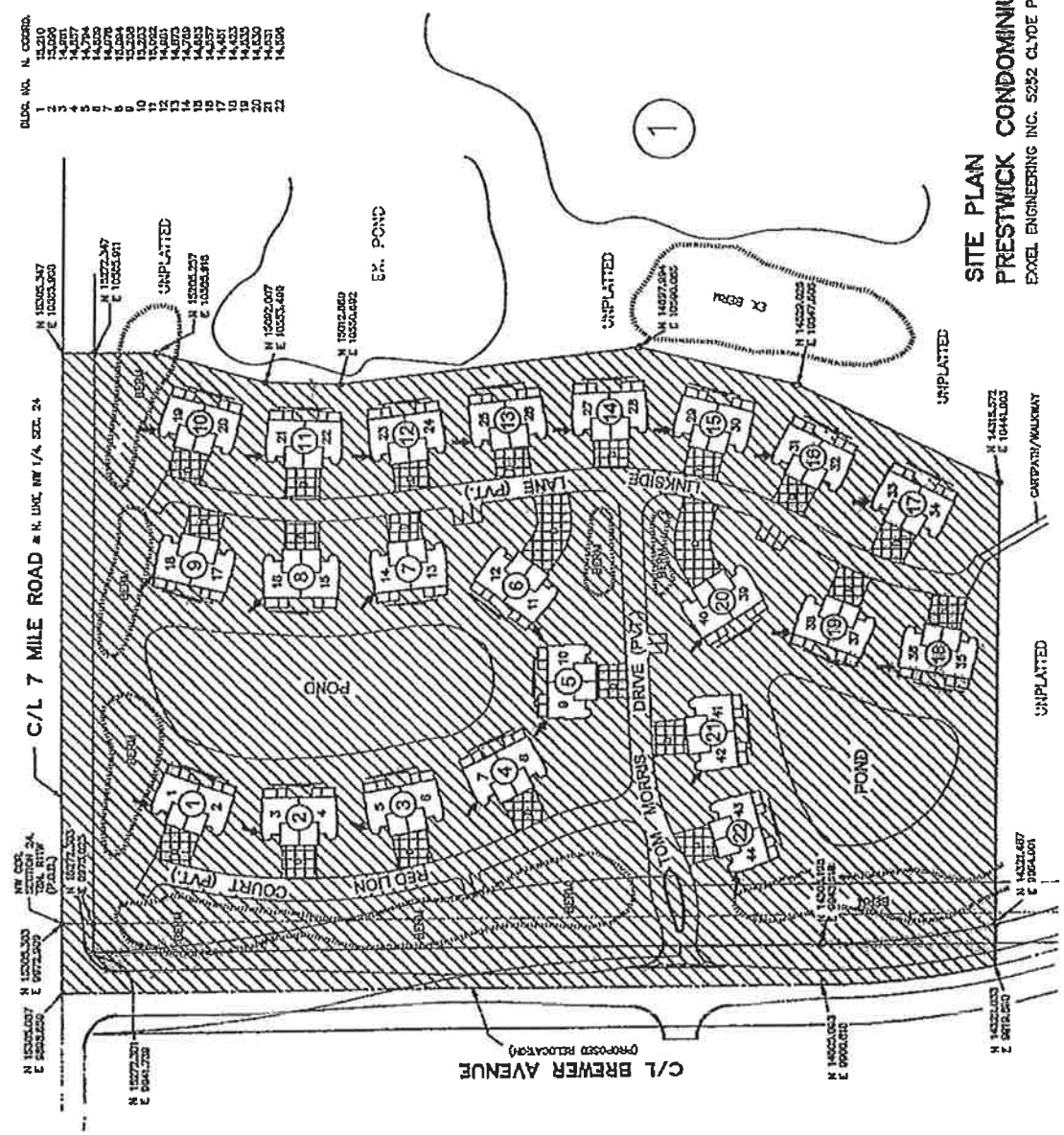
BLDG. NO.	N. CORNER	E. CORNER	BLDG. DESIGN
1	14,200	10,095	REP-1A1
2	14,200	10,071	REP-1A1
3	14,207	10,095	REP-1A1
4	14,207	10,071	REP-1A1
5	14,206	10,095	REP-1A1
6	14,206	10,071	REP-1A1
7	14,204	10,095	REP-1A1
8	14,204	10,071	REP-1A1
9	14,204	10,095	REP-1A1
10	14,204	10,071	REP-1A1
11	14,203	10,095	REP-1A1
12	14,203	10,071	REP-1A1
13	14,203	10,095	REP-1A1
14	14,203	10,071	REP-1A1
15	14,203	10,095	REP-1A1
16	14,203	10,071	REP-1A1
17	14,203	10,095	REP-1A1
18	14,203	10,071	REP-1A1
19	14,203	10,095	REP-1A1
20	14,203	10,071	REP-1A1
21	14,203	10,095	REP-1A1
22	14,203	10,071	REP-1A1



- = PROPOSED CONCRETE MONUMENT
- = SECTION CORNER MONUMENT
- = DRIVEWAY (LIMITED COMMON ELEMENT)
- = BUILDING COORDINATE LOCATION
- = DIRECTION OF BUILDING TYPING



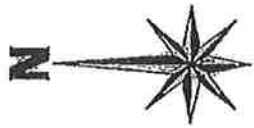
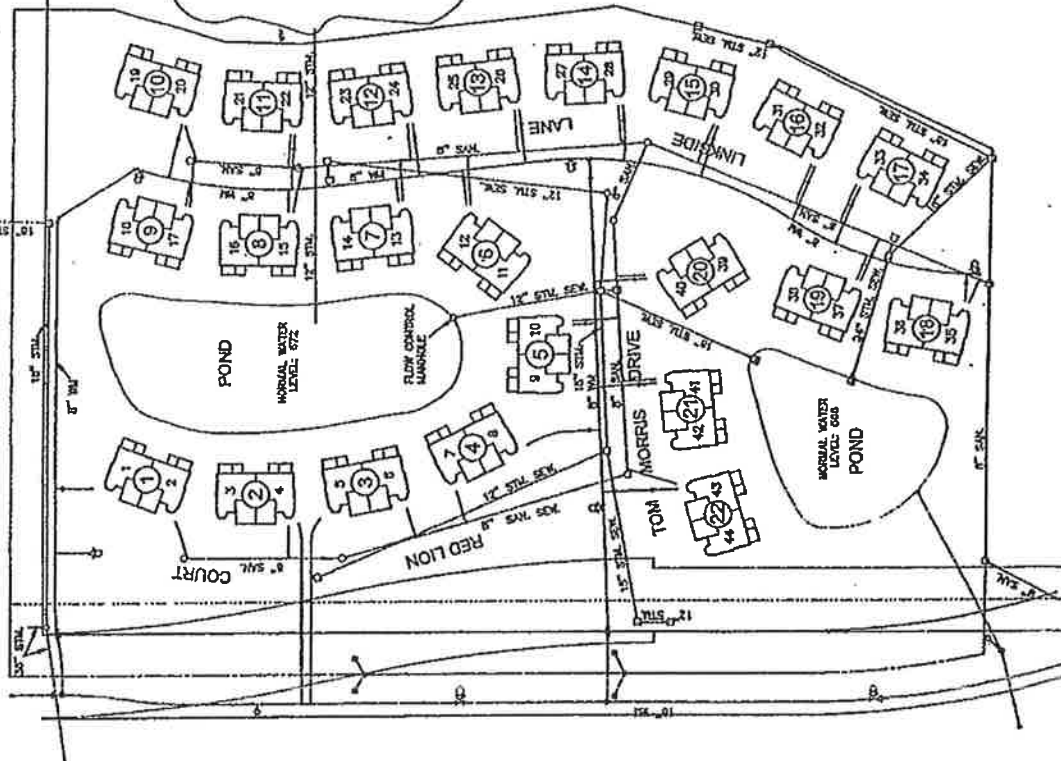
NOTES
 1. CONCRETE CORNER IS AS SHOWN
 2. UNITS 7 AND 8 AND ALL APPOINTMENTS MUST BE BUILT
 3. ALL OTHER UNITS AND THEIR APPOINTMENTS USED NOT BE BUILT



SITE PLAN
PRESTWICK CONDOMINIUM AT BOULDER CREEK
 EXCEL ENGINEERING INC. 5252 CLYDE PARK S.W. GRAND RAPIDS MI 49509

PROPOSED OCTOBER 8, 2004

C/I 7 MILE ROAD



▽ = INDOORANT
 □ = CATCH BASIN
 ○ = MANHOLE

NOTES:

1. UTILITY INFORMATION SHOWN HEREON IS FOR AVAILABLE RECORDS AND SHOULD NOT BE CONSIDERED TO BE A GUARANTEE OF ACCURACY OR COMPLETENESS OF RECORDS.
2. ALL WATER SERVICES ARE 1 1/2"
3. ALL SANITARY SEWER LATERALS ARE 6"
4. ALL UTILITIES MUST BE BUILT.
5. THE EXISTING SANITARY SEWER LATERAL USE WILL BE MOVED FROM ITS PRESENT LOCATION.
6. THE PRESENT UTILITY CONNECTIONS (GAS, ELECT. & TEL.) HAVE NOT BEEN VERIFIED AND SHOULD BE VERIFIED BY THE OWNER. THESE CONNECTIONS ARE NOT SHOWN. THEY WILL BE SHOWN AT A LATER DATE ON AN AS-BUILT DRAWING.

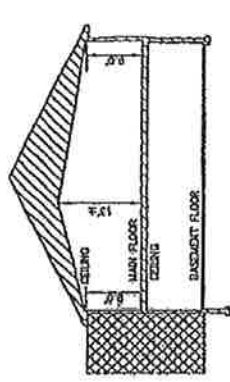
UTILITY	SOURCE OF INFORMATION
---	SANITARY SEWER
---	STORM SEWER
---	WATERMAIN
---	EXCEL ENGINEERING INC.
---	EXCEL ENGINEERING INC.
---	EXCEL ENGINEERING INC.



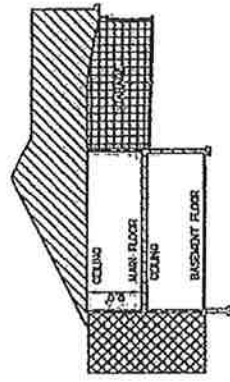
PROPOSED OCTOBER 8, 2004

UTILITY PLAN
PRESTWICK CONDOMINIUM AT BOULDER CREEK
 EXCEL ENGINEERING INC. 5252 CLYDE PARK S.W. GRAND RAPIDS MI 49509 SHEET 4

TYPICAL DUPLEX BUILDING AT BOULDER CREEK
 PRESTWICK CONDOMINIUM AT BOULDER CREEK
 EXCEL ENGINEERING INC. 6252 CLYDE PARK S.W. GRAND RAPIDS MI 49508

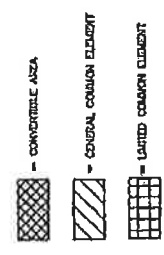


SECTION A-A

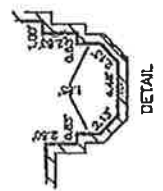


SECTION B-B

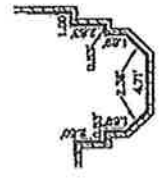
NOTE 1. ALL ORIGINAL COMMON ELEMENTS ARE CONCRETE AREA
 2. DIMS ARE A CONVERTIBLE AREA



UNITS OF OWNERSHIP DIMENSIONS ARE ATTACHED ANGLES TO EACH OTHER UNLESS OTHERWISE NOTED

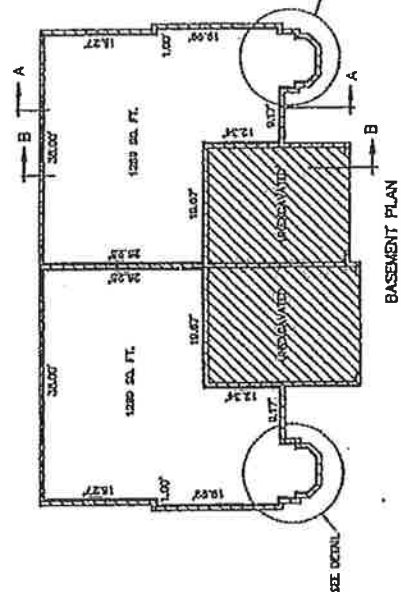


DETAIL

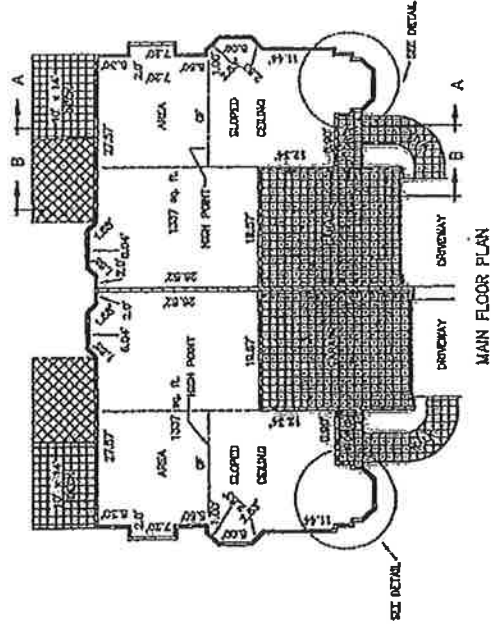


DETAIL

BUILDING NO.	BAS. FLOOR ELEV.	DAS. WALL HEIGHT
1	674.00	674.00
2	674.00	674.00
3	674.00	674.00
4	674.00	674.00
5	674.00	674.00
6	674.00	674.00
7	674.00	674.00
8	674.00	674.00
9	674.00	674.00
10	674.00	674.00
11	674.00	674.00
12	674.00	674.00
13	674.00	674.00
14	674.00	674.00
15	672.50	672.50
16	670.50	670.50
17	670.50	670.50
18	672.50	672.50
19	672.50	672.50
20	670.50	670.50
21	670.50	670.50



BASEMENT PLAN



MAIN FLOOR PLAN

