

current expenses of administration actually incurred by the Association from time to time, except expenses related to maintenance and use of the Units in the Project and of the improvements constructed within or appurtenant to the Units that are not owned by Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses shall be based upon the ratio of all Units owned by the Developer at the time the expense is incurred to the total number of Units then in the Project. In no event shall the Developer be responsible for payment of any assessments for deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to Units owned by it on which a completed building is located. Any assessments levied by the Association against the Developer for other purposes shall be void without Developer's consent. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs. A "completed building" shall mean a building with respect to which a certificate of occupancy has been issued by the Township of Argentine.

Section 8. Statement as to Unpaid Assessments. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association, accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least 5 days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing the same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE III

ARBITRATION

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

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

Section 3. Election of Remedies. Such election and written consent by Co-Owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

ARTICLE IV**INSURANCE**

Section 1. Extent of Coverage. The Association shall, to the extent appropriate in light of the nature of the General Common Elements of the Project, carry liability insurance, if applicable, pertinent to the ownership, use and maintenance of the General Common Elements and the administration of the Condominium Project. Each Co-Owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the buildings and all other improvements constructed or to be constructed within the perimeter of his Condominium Unit and its appurtenant Limited Common Element thereon or elsewhere on the Condominium Project. Each Co-Owner also shall be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of his Unit and appurtenant Limited Common Element setback area or the improvements located thereon, and also for any other personal insurance coverage that the Co-Owner wishes to carry. The Association may, at its option and election, obtain any of the insurance coverage required to be carried by a Co-Owner and include such expenses as a part of the administration of the Project.

Section 2. Indemnification. Each individual Co-Owner shall indemnify and hold harmless every other Co-Owner, the Developer and the Association for all damages and costs, including attorneys' fees, which such other Co-Owners, the Developer or the Association may suffer as a result of defending any claim arising out of an accordance on or within such individual Co-Owner's Unit or appurtenant Limited Common Element setback area and shall carry insurance to secure this indemnity if so required by the Association (or the Developer during the Development and Sales Period). This Section 2 shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-Owner, however.

ARTICLE V**RECONSTRUCTION AND REPAIR/EMINENT DOMAIN**

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

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

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

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

(a) Taking of Unit or Improvements Thereon. In the event of any taking of all or any portion of a unit or any improvements thereon by eminent domain, the award for such taking shall be paid to the Co-Owner of such Unit and the Mortgagee thereof, as their interests may appear, notwithstanding

any provision of the Act to the contrary. If a Co-Owner's entire Unit is taken by eminent domain, such Co-Owner and his mortgagee shall, after acceptance of the condemnation award therefor, be divested of all interest in the Condominium Project.

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

(c) Continuation of Condominium After Taking. In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-Owners based upon the continuing value of the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by a Co-Owner.

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

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

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

ARTICLE VI

RESTRICTIONS

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

Section 1. Residential Use. No Unit in the Condominium shall be used for other than single-family residential purposes, and the Common Elements shall be used only for purposes consistent with single-family residential use. No building of any kind shall be erected except private residences and structures ancillary thereto. Only one residence may be erected within any Unit, which shall not exceed two stories in height. No mobile unit, building or trailer shall be moved onto any Unit.

Section 2. Leasing and Rental.

(a) Right to Lease. A Co-Owner may lease or sell his Unit for the same purposes set forth in Section 1 of this Article VI; provided, that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b) below. With the exception of a lender in possession of a Unit following a default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-Owner shall lease less than an entire Unit in the

Condominium, and no tenant shall be permitted to occupy a unit, except under a lease, the initial term of which is at least one (1) year, unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in his discretion.

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

(1) A Co-Owner, including the Developer, desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least 10 days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. If the Developer desires to rent Units before the Transitional Control Date, he shall notify either the Advisory Committee or each Co-Owner in writing. Within five (5) days after such a lease is executed, the Co-Owners shall provide to the Association all information on the tenant(s) as the Association may require.

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

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

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

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

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

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

Section 3. Architectural Control. The Developer of the Project intends that there shall be a residential dwelling and certain other improvements within the boundaries of each of the Condominium Units in the Project. A Co-Owner shall engage the services of a licensed builder to construct improvements (including the residential dwelling) within the boundaries of a Condominium Unit. Developer shall be entitled to require that the builder or Co-Owner furnish to the Association adequate security, in Developer's discretion, to protect the Association against costs and expenses which it might incur in connection with the failure to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the dwelling and its appurtenances. No building, structure

or other improvement shall be constructed within a Condominium Unit or elsewhere within the Condominium Project, nor shall any exterior modification be made to any existing buildings, structure or improvement, unless plans and specifications therefor, containing such detail as may reasonably be requested, have first been approved in writing by the Architectural Control Committee (hereinafter "Committee"). All Co-owners shall also prepare and submit a landscaping plan to the Committee for approval. The Committee shall consist of (a) the Developer, for so long as the Developer owns Units in the Project and (b) a minimum of one (1) and maximum of four (4) co-Owners, initially to be appointed by the Developer and any of the replacements to be appointed by the remaining Committee members. Construction of any building or other improvements must also receive any necessary approvals from the local public authority. The Committee shall have the right to refuse to approve any such plans or specifications, or grading or landscape plans, which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to be constructed and the degree of harmony thereof with the Condominium as a whole. The following building restrictions will apply to all units and improvements thereon:

- (a) No residential structure with less than a 6/12 roof pitch will be permitted.
- (b) No residential structure exceeding two (2) stories in height above grade level will be permitted without prior written approval of the Committee.
- (c) All residential structures must have an attached garage (minimum - two car), with a paved driveway (or comparable approach approved by the Committee).
- (d) Single-level ranch-type structures, with basement or crawl space below grade level shall be at least 1500 square feet in size. No ranch shall be constructed on a slab foundation.
- (e) Two-story residential structures (two stories above grade level) shall have at least 1000 square feet at grade level and at least 2000 square feet total area, all finished.
- (f) Story-and-a-half residential structures (being two floors above grade level) shall have at least 1750 square feet total with the lower floor at least 1000 square foot area. Both levels shall be completely finished.
- (g) Square foot area shall be computed by including exterior walls, partitions, bay windows, if same reach to the floor and are fully enclosed, heated areas. Attached garages and crawl spaces shall not be so included. Nor shall walk-out levels be included in square footage calculations.
- (h) The exterior of all residential structures, attached garages and breezeways must be completed, including at least two (2) coats of paint, stain, and/or varnish on all exterior woodwork within nine (9) months from the date of commencement of construction.
- (i) In ground pools (but not above ground pools) may be constructed with prior approval of the plans by the Committee.
- (j) No site fences will be permitted, except privacy/safety fencing around inground pool areas, designs for which must be pre-approved by the Committee. Any and all pet fencing shall be underground pet fencing.
- (k) Basic landscaping, including finish grading and seeding or sodding and installation of driveways must be completed within three (3) months after date of occupancy, weather permitting.

(l) No out-buildings will be permitted. Expansion of garages with prior approval of the Committee may be allowed to house boats, recreational vehicles, pets and other storage.

(m) No co-owner may top or remove trees on the west boundary line of the Project. This restriction applies only to mature trees exceeding ten (10) feet in height and co-owners may do reasonable pruning of such trees.

In the event that the Committee shall fail to approve or disapprove or take any other action upon such plans and specifications within thirty (30) days after complete plans and specifications have been delivered to the Committee, such approval will not be required; provided, however, that such plans and locations of structures on the Homesite conform to or are in harmony with existing structures in the Condominium, these Bylaws and any zoning or other local laws applicable thereto. If the Committee takes action with respect to the plans and specifications within such 30-day period, then the affected Co-Owner shall respond appropriately to the Committee's requests until approval shall have been granted. No construction of any building or improvement pursuant either to express approval properly obtained hereunder or by virtue of failure of action either by the Committee or the Association may be constructed as a precedent or waiver, binding on the Committee, the Association, any Co-Owner or any other person as to any other structure or improvement which is proposed to be built. Provided, however, that all committee approvals are subject to approval by the township, which the owner must secure.

The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development and shall be binding upon both the Association and upon all Co-Owners. Developer's rights under this Article VI, Section 3, may, in Developer's discretion, be assigned to the Association or other successor to Developer. Developer may construct any improvements upon the Condominium Premises that it may, in its sole discretion, elect to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium Documents

Section 4. Public Health Requirements.

a. **Wells.** Permits for the installation of wells shall be obtained from the Genesee County Health Division prior to any construction on the individual building sites. Each Co-Owner shall be solely responsible for installation, maintenance, repair and replacement of the well/water supply system on his building site, and the Association shall have absolutely no financial responsibility or other duty with respect thereto. All wells installed for private water supply must, except as set forth below, penetrate an adequate protective clay overburden and prospective building site. Co-Owners are hereby advised of and agree to this requirement. When an adequate aquacade cannot be demonstrated, additional safeguards in the form of increased distances and/or depth requirements may be required. The Michigan Department of Public Health, the Genesee County Health Division will determine the necessary depth of water wells in order to penetrate an aquacade and otherwise approve all well installations.

All residential dwellings shall be served by an appropriate potable water supply system constructed in accordance with the Groundwater Quality Control provisions of the Michigan Public Health Code P.A. 368 of 1978, as amended, and, in particular, with Part 127 thereof. All wells on individual sites shall be drilled by a well driller licensed by the State of Michigan to a depth of not less than fifty (50') feet and complete well log form for each such potable water well shall be submitted to the Genesee County Health Division within sixty (60) days following completion of such well. A well drilled in accordance with this provision shall be deemed to be an appropriate water supply system.

b. **Septic Systems.** All residential dwellings shall be served by individual sewage disposal systems constructed to the specifications set forth in Sheet 3 of the Condominium Subdivision Plan (Exhibit B), and pursuant to the applicable requirements of the Genesee County Health Department. All toilet facilities must be located inside the residential dwelling. Septic tanks shall be inspected every two years after granting of an occupancy permit for the applicable unit and pumped as necessary.

At some time subsequent to the initial development, it may become necessary to construct a community water supply and/or sewer system. The construction of any such public system may be financed, in whole or in part, by the creation of a special assessment district or districts which may include all site condominium Units in Linden Oaks. The acceptance of a conveyance or the execution of a land contract by any Co-Owner or purchaser shall constitute the agreement by such Co-Owner or purchaser, his heirs, executors, administrators and assigns that such Owner or purchaser will execute any petition circulated for the purpose of creating such a special assessment district. The Board of Directors of the Association shall be vested with full power and authority to obligate all Co-Owners to participate in a special assessments district or districts and to consider and act upon all other community water or sewer issues on behalf of the Association and all Co-Owners. Further, each Co-Owner will pay such special assessments as may be levied against his site condominium Unit by any such special assessment district and shall take the necessary steps as required by the appropriate state, county and township agencies and by the Association, acting through its Board of Directors to connect, at his own expense, his water intake facilities to such community water supply system (or sewer discharges to public sewer system) within ninety (90) days following completion of said system.

Section 5. Front Yards. The front yard areas of all Homesites (unless such Homesite is unbuilt upon) shall have well maintained lawns. The definition of the front yard area shall be a line or lines parallel to the front street and intersecting the front of the residential structure and running from the residential structure intersecting the boundary line between the Condominium Unit and its appurtenant Limited Common Element yard area and ending at the line where each Condominium Unit's Limited Common Element yard area adjoins another Condominium Unit's Limited Common Element (or side street, if such Condominium Unit is a corner Homesite). Well maintained lawns shall mean lawns of a uniform, regularly cut to a uniform height appropriate for such grass in a first-class residential development, trimmed and edged to preserve a neat, groomed and cared-for appearance in the Condominium.

Section 6. Setbacks. All buildings and improvements shall be contained within the setbacks as set forth in the applicable township ordinance and as indicated on Exhibit B to the Master Deed.

Section 7. Alterations and Modifications of Common Elements. No Co-Owner shall make alterations, modifications or changes in any of the Common Elements without the express written approval of the Board of Directors, including, without limitation, the erection of antennas, lights, aerials, awnings, flag poles or other exterior attachments or modifications. No Co-Owner shall in any way restrict access to any utility line, or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way. Abnormally tall radio or television antennae, such as the type used by HAM radio operators, shall not be permitted to be installed in any front yard of a Homesite and such antennae shall not be permitted to be installed unless its location is 40 feet from a side or rear Limited Common Element boundary line adjoining a neighboring Limited Common Element of another Homesite or roadway boundary line. Such antennae must be approved by the Developer or the Association prior to their installation and such antennae may be rejected no matter where they are proposed to be installed if the Developer or the Association, in their sole judgment, deem such an antennae too large or visually unappealing. The Board may promulgate reasonable regulations governing the placement and/or aesthetic requirements on installation of satellite dishes.

Section 8. Activities. No immoral, improper, unlawful, noxious or offensive activity shall be carried on in any Unit or upon the Common Elements nor shall anything be done which may be or become any annoyance or a nuisance to the Co-Owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time and disputes among Co-Owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the Association. No Co-Owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-Owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition

even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: Any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

Section 9. Pets. No animals, other than household pets, shall be maintained by an Co-Owner. No animal may be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be leashed and attended by some responsible person while on the Common Elements. No savage or dangerous animal shall be kept and any Co-Owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefor. Each Co-Owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-Owner. No dog which barks and can be heard on any frequent or continuing basis shall be kept in any unit or on the Common Elements even if permission was previously granted to maintain the pet on the premises. The Association may charge all Co-Owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the Board of Directors of the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted rules and regulations of the Association or alternatively revoke the right to maintain such pets.

Section 10. Aesthetics. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. No refuse pile or other unsightly or objectionable materials shall be allowed on any Homesite unless the same shall be properly concealed. Refuse, ashes, building materials, garbage or debris of any kind shall be treated in such manner as not to be offensive and visible to any other Co-owners in the Condominium. In general, no activity shall be carried on nor conditioned maintained by a Co-owner, either in his Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium. Without written approval by the Association, no Co-owner shall change in any way the exterior appearance of the residence and other improvements and appurtenances located within his Unit. Thus, in connection with any maintenance, repair, replacement, decoration or redecoration of such residence, improvements or appurtenances, no Co-owner shall modify the design, material or color of any such item including, without limitation, windows, doors, screens, roofs, siding or any other component which is visible from a Common Element or other Unit.

Section 11. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all-terrain vehicles, snowmobiles, snowmobile trailers or vehicles, other than automobiles or vehicles used primarily for general personal transportation purposes, may be parked or stored upon the premises of the Condominium unless in garages. Passenger vehicles shall be parked in garages to the extent possible. Garage doors shall be kept closed when not in use. No inoperable vehicles of any type may be stored outdoors under any circumstances. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. The Association may prohibit parking of vehicles other than passenger vehicles on the General or Limited Common Elements. Co-owners shall, if

the Association shall require, register with the Association all cars maintained on the Condominium Premises.

Section 12. Advertising. No signs or other advertising devices of any kind shall be displayed which are visible from the exterior of a Unit or on the Common Elements, (but not including "For Sale" signs) without written permission from the Association and, during the Development and Sales Period, from the Developer. Any such sign shall have not more than nine square feet of surface area and the top of which shall be four feet or less above the ground.

Section 13. Rules and Regulations. It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners, and shall become effective thirty (30) days after receipt by the Co-owners.

Section 14. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary to carry out any responsibilities imposed on the Association by the Condominium Documents. The Association or its agents shall also have access to Units and Limited Common Elements appurtenant thereto as may be necessary to respond to emergencies. The Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his Unit and any Limited Common Elements appurtenant thereto caused thereby. This provision, in and of itself, shall not be construed to permit access to the interiors of residences or other structures.

Section 15. Common Element Maintenance. Sidewalks (if any), yards, landscaped areas, driveways, and parking areas shall not be obstructed nor shall they be used for purposes other than that for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions may be left unattended on or about the Common Elements. No noisy vehicles such as motorcycles, mini-bikes or all-terrain vehicles shall be operated on the Condominium roadways except as may minimally necessary for ingress and egress to and from Homesites.

Section 16. Co-owner Maintenance. Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintained responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other Common Elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 17. Reserved Rights of Developer.

(a) Prior Approval by Developer. During the Development and Sales Period, no buildings, fences, walls, retaining walls, drives, walks or other structures or improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alternation to any structure be made (including in color or design), except interior alterations which do not affect structural elements of any Unit, nor shall any hedges, trees or substantial plantings or landscaping modifications be made, until

plans and specifications, acceptable to the Developer, showing the nature, kind, shape, height, materials, color scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by Developer, its successors or assigns, and a copy of said plans and specifications, as finally approved, lodged permanently with the Developer. The Developer shall have the right to refuse to approve any such plan or specifications, or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and in its opinion for aesthetic or other reason; and in passing upon such plans, specifications, grading or landscaping, it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to effect the same, and the degree of harmony thereof with the Condominium as a whole. The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all Co-owners.

(b) Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Development and Sales Period or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, Developer shall have the right to maintain a sales office (including a temporary building or mobile trailer), model units, advertising display signs, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by the Developer and may continue to do so during the entire Development and Sales Period.

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

ARTICLE VII

MORTGAGES

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

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

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

notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

ARTICLE VIII

VOTING

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

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

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

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

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

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

ARTICLE IX

MEETINGS

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

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

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

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

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

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

Section 7. Order of Business. The order of business at all meetings of the member shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers); (g) election of Directors (at annual meeting of special meetings held for such purpose); (h) unfinished business; and (i) new business. Meetings of members

shall be chaired by the most senior office of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary/Treasurer.

Section 8. Action without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 for the giving of notice of meetings of members. Such solicitations shall specify: (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

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

Section 10. Minutes; Presumption of Notice. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE X

ADVISORY COMMITTEE

Within one (1) year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within one hundred twenty (120) days after conveyance to purchaser of three (3) of the Units, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least one (1) non-developer Co-owner. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that if one than two (2) of the non-developer Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the other Co-owners and to aid in the transition of control of the Association from the Developer to purchaser Co-owners. The Advisory Committee shall cease to exist automatically when the non-developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XI

BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors, except for the first Board of Directors, shall be comprised of three (3) members in accordance with the provisions of Section

2 hereof, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation.

Section 2. Election of Directors.

(a) First Board of Directors. The first Board of Directors shall be composed of one person and such first Board, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-developer Co-owner to the Board. Immediately prior to the appointment of the first non-developer Co-owner to the Board, the Board shall be increased in size from 1 person to 3 persons. Thereafter, elections for non-developer Co-owner Directors shall be held as provided in subsections (b) and (c) below.

(b) Election of Directors at and After First Annual Meeting.

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

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

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

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

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