

**ARTICLE I
ASSOCIATION OF CO-OWNERS**

Section 1.1 Association.

Stratford Hills, a Condominium Project located in the County of Kalamazoo, Michigan, shall be administered by an Association of Co-owners, which shall be a non-profit corporation, hereinafter called the "Association", and which shall be organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, Bylaws and duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

Section 1.2 Membership and Voting.

Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

- (a) Each Co-owner shall be a member of the Association and no other person or entity shall be entitled to membership.
- (b) The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit in the Condominium.
- (c) Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Condominium Unit owned, the value of which shall equal the total of the percentages allocated to the Unit owned by such Co-owner as set forth in Article V of the Master Deed. Voting on all Association matters shall be by value.
- (d) No Co-owner 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. The vote of each Co-owner may be cast by the individual representative designated by such Co-owner in the notice required in subparagraph (e) below or by a proxy given by such individual representative.
- (e) 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 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.
- (f) There shall be an annual meeting of the members of the Association. Other meetings may be provided for in the Bylaws of the Association. Notice of time, place and subject matter of all meetings, as provided in the Bylaws of the Association, shall be given to each Co-owner by mailing the same to each individual representative designated by the respective Co-owners.
- (g) The presence in person or by proxy of thirty-five percent (35%) of the Co-owners qualified to vote shall constitute a quorum, for holding a meeting of the members of the Association, except for voting on questions specifically required herein 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. All decisions of the Association shall be by a majority of the quorum, except as herein specifically provided.
- (h) Votes may be cast in person or by proxy or by 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.

- (i) A majority, except where otherwise provided herein, shall consist of more than fifty percent (50%) of those qualified to vote and present in person or by proxy (or by written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth.
- (j) Other provisions as to voting by members, not inconsistent with the provisions herein contained, may be set forth in the Association Bylaws.

Section 1.3 Accounting.

The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The Association also shall maintain on file current copies of the Master Deed for the Project, any amendments thereto and all other Condominium Documents and shall permit all Co-owners, prospective purchasers and prospective mortgagees interested in the Project to inspect the same during reasonable hours.

Section 1.4 Board of Directors.

The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association. The number, terms of office, manner of election, removal and replacement, meetings, quorum and voting requirements, and other duties or provisions of or relating to directors, not inconsistent with the following, shall be provided by the Association Bylaws.

- (a) The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by State law or the Condominium Documents or required thereby to be exercised and done by the Co-owners. In addition to the foregoing general duties imposed by these Bylaws, or any further duties which may be imposed by resolution of the members of the Association or which may be set forth in the Association Bylaws, the Board of Directors shall be responsible specifically for the following:
 - (1) Management and administration of the affairs of and maintenance of the Condominium Project and the Common Elements thereof.
 - (2) To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
 - (3) To carry insurance and collect and allocate the proceeds thereof.
 - (4) To rebuild improvements after casualty.
 - (5) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.
 - (6) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
 - (7) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, security interest or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of more than sixty percent (60%) of all of the members of the Association.
 - (8) To make rules and regulations in accordance with Article VI, Section 6.13 of these Bylaws.

- (9) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or by the Condominium Documents required to be performed by the Board.
- (10) To enforce the provisions of the Condominium Documents.
- (b) The Board of Directors may employ for the Association a professional management agent at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 1.4(a) of these Bylaws, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by the Board, or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other similar person or entity, in which the maximum term is greater than three years or which is not terminable by the Association upon 90 days written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.
- (c) All of the actions (including, without limitation, the adoption of these Bylaws and any Rules and Regulations for the corporation, and any undertakings or contracts entered into with others on behalf of the corporation) of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto elected by the Developer shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the members of the Association at the first or any subsequent annual meeting of members so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium Documents.

Section 1.5 Officers.

The Association Bylaws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the Condominium Documents and not inconsistent therewith. Officers may be compensated but only upon the affirmative vote of more than fifty percent (50%) of all Co-owners in value.

Section 1.6 Indemnification.

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof.

Section 1.7 Advisory Committee.

An Advisory Committee of three (3) non-developer Co-owners shall be established within one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of one-third

(1/3) of the Units that may be created hereunder, or within one (1) year after the initial conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, whichever first occurs. The Advisory Committee may, in the first instance, be appointed by the Developer. If the Board of Directors of the Association so determines, or if more than twenty percent (20%) in value of the non-Developer Co-owners shall so petition in writing, then a special meeting of the non-Developer Co-owners shall be held and the members of the Advisory Committee elected at such meeting. The purpose of the Advisory Committee shall be to facilitate communications between the Developer and the non-Developer Co-owners. The Advisory Committee shall cease to exist when a majority of the Board of Directors of the Association of Co-owners is elected by the non-Developer Co-owners. The Board of Directors and the Advisory Committee shall meet with each other at such times as may be requested by either of them; provided, however, that there shall be no more than four (4) such meetings per year unless both entities agree.

Section 1.8 Non-Developer Directors.

- (a) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of twenty-five percent (25%) of the Units that may be created, at least one (1) Director and not less than twenty-five percent (25%) of the Board of Directors of the Association shall be elected by non-Developer Co-owners.
- (b) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of fifty percent (50%) of the Units that may be created, not less than thirty three and one-third percent (33 1/3%) of the Board of Directors shall be elected by non-Developer Co-owners.
- (c) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of seventy-five percent (75%) of the Units that may be created, and before conveyance of ninety percent (90%) of such Units, the non-Developer Co-owners shall elect all of the Directors on the Board, except that the Developer shall have the right to designate at least one Director, as long as the Developer owns and offers for sale at least ten percent (10%) of the Units in the Project or as long as ten percent (10%) of the Units that may be created remain unsold.
- (d) Notwithstanding the foregoing, fifty-four (54) months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, if title to not less than seventy-five percent (75%) of the Units that may be created have not been conveyed, the non-Developer Co-owners have the right to elect the number of members of the Board of Directors equal to the percentage of Units the non-Developer Co-owners hold, and the Developer shall have the right to elect the number of members of the Board equal to the percentage of the Units which are owned by the Developer and for which all assessments are paid by the Developer. This section shall not require a change in the size of the Board of Directors as is determined by the Association By-Laws. The provisions of Section 52(4) and Section 52(6) of the Act shall also be applicable to this Section 1.8, and shall be incorporated herein by reference.

ARTICLE II ASSESSMENTS

Section 2.1 Personal Property Taxes.

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

Section 2.2 Liabilities and Insurance Receipts.

Taxes and special assessments which become a lien against the Condominium Project in the year of establishment shall be considered 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 Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54 of the Act.

Section 2.3 Amount of Assessments.

Assessments shall be determined in accordance with the following provisions:

- (a) The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis must be established in the budget and must be funded by regular monthly payments as set forth in Section 2.4 below rather than by special assessments. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon the budget, although the delivery of a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. Should the Board of Directors, at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding Two Thousand Dollars (\$2,000) annually, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem necessary.
- (b) Special assessments, in addition to those required in (a) above may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to (1) assessments for capital improvements for additions of a cost exceeding Two Thousand Dollars (\$2,000) per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 2.6 hereof, (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 2.3(a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty percent (60%) of all Co-owners in value. The authority to levy assessments pursuant to this Subparagraph is solely for the benefit of the Association and of the members thereof and shall not be enforceable by any creditors of the Association or of the members thereof.

Section 2.4 Apportionment.

All assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed without increase or decrease for the existence of any rights to the use of limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 2.3(a) above shall be payable by Co-owners in four (4) equal quarterly installments, or twelve (12) monthly installments, as determined by the Association, commencing with acceptance of a deed to a Unit, with acquisition of fee simple title to a Unit by any other means, or upon execution of a land contract by which a Unit is purchased from Developer. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Assessments in default for ten (10) or more days shall bear interest from the initial due-date thereof at the highest legal rate until each installment is paid in full. Each Co-owner (whether one or more persons) shall be, and remain, personally liable, both jointly and severally, for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment, including reasonable attorney's fees) pertinent to his Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from Developer shall be so personally liable and Developer shall not be personally liable for such assessments levied up to and including the date upon which Developer actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, the cost of collection and enforcement of payment, including reasonable attorney's fees; second, to any interest charges and fines for late payment on such assessments; and third, to installments in default in order of their due dates. Notwithstanding the foregoing, any unusual common expenses benefiting less than all of Condominium Units, or any unusual expenses incurred as a result of a use being conducted within a Condominium Unit by a Co-owner, licensee, lessee or invitee, may be specially assessed or apportioned against the Condominium Unit or Units involved in a reasonable manner and in accordance with any provisions of the Act.

Section 2.5 No Exemption.

No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

Section 2.6 Collection of Assessments.

The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published,

until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address of a written notice that one or more installments of the annual assessment or any special assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the Office of the Register of Deeds in the county in which the Project is located prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. The expenses incurred in collecting unpaid assessments, including interest, costs, actual reasonable attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit. In the event of default by any Co-owner in the payment of any installment of the annual assessment or any special assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon seven (7) days written notice to such Co-owner of its intention 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 such default continues. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him.

Section 2.7 Effect on Mortgage Lien.

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

Section 2.8 Obligations of Developer.

Until such time as the regular monthly assessments paid by Co-owners other than the Developer shall be sufficient to support the total costs of administration (excluding reserves), the Developer shall pay the balance of such administrative costs on account of the Units owned by it, whether constructed or not.

After the time at which the regular monthly assessments paid by Co-owners other than the Developer are sufficient to support the total costs of administration (excluding reserves), the Developer shall be assessed by the Association for actual costs, if any, incurred by the Association which are directly attributable to the Units owned by the Developer, together with a pro-rata share of costs of administration (other than costs attributable to the maintenance of dwellings), such as legal fees, accounting fees, liability insurance premiums and maintenance of the landscaping, drives, sanitary sewer system and walks, if any. Provided, that if a Unit owned by Developer is leased or otherwise occupied on a permanent basis by a person holding under or through the Developer, the Developer shall pay all regular monthly assessments with respect to such Unit forthwith.

Section 2.9 Statement Regarding Assessments.

Pursuant to the provisions of the Act, the Purchaser of any Condominium Unit may request a statement of the Association as to the outstanding 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 five (5) days prior to the closing of the purchase of such Unit, shall render any unpaid assessments and the lien securing same, fully enforceable against such Purchaser and the Unit itself, to the extent provided by the Act. Unpaid assessments shall constitute a lien upon the Unit and the proceeds of sale thereof, which shall be prior to all claims except real property taxes and first mortgages of record.

Section 2.10 Construction Liens.

A construction lien arising under Act 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

**ARTICLE III
ARBITRATION**

Section 3.1 Arbitration.

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 Co-owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

Section 3.2 Legal Action.

In the absence of the election and written consent pursuant to Section 3.1, no Co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

Section 3.3 Election.

Election 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 4.1 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, and any other insurance the Association may deem applicable, desirable or necessary, and pertinent to the ownership, use and maintenance of the Common Elements and administration of the Condominium Project. Each owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to buildings and all other improvements constructed or to be constructed within the perimeter of a condominium unit and its appurtenant Limited common Elements, and for personal property located therein or thereon or elsewhere on the Condominium Project. Each Co-owner shall also be obligated to obtain insurance coverage for personal liability for occurrences within the perimeter of the Co-owner's Unit and appurtenant Limited Common Elements. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage required to be carried by a Co-owner. All premiums for insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

Section 4.2 Indemnification.

Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer and the Association from all damages and costs, including attorneys' fees, which they may suffer as a result of defending any claim arising out of an occurrence on or within such Co-owner's Unit or appurtenant Limited Common Element, and each individual Co-owner shall carry insurance to secure this indemnity. This section shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner, however, and the Association and all Co-owners shall use their best efforts to cause all property and liability insurance carried by them to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

ARTICLE V RECONSTRUCTION OR REPAIR

Section 5.1 Reconstruction.

If the Condominium project or any of its Common Elements are destroyed or damaged, in whole or in part, and the proceeds of any policy insuring the same and payable by reason thereof are sufficient to reconstruct the Project, then such proceeds shall be applied to such reconstruction. As used herein, reconstruction means restoration of the Project in accordance with the Master Deed and the plans and specifications for the Project to a condition as comparable as possible to the condition existing prior to the damage, unless the Co-owners and mortgagees shall unanimously decide otherwise. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair, or if at any time during 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 costs of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay for the costs of reconstruction or repair. If damage to the General Common Elements adversely affects the appearance or utility of the Project, the Association shall proceed with repair or replacement of the damaged property without delay. Each Co-owner shall be responsible for all maintenance, repair and replacement required within his Unit or the Limited Common Elements appurtenant thereto.

Section 5.2 Eminent Domain.

Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

- (a) In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the owner and his mortgagee, they shall be divested of all interest in the Condominium Project. In the event that any condemnation award shall become payable to any Co-owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Co-owner and his mortgagee, as their interests may appear.
- (b) If there is any taking of any portion of the Condominium other than any Unit, 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 fifty percent (50%) of the Co-owners 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) In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner, but only with the prior written approval of all holders of first mortgage liens on individual Units in the Project.
- (d) 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.

Section 5.3 Priority.

Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit Owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their

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mortgages in the case of a distribution to Condominium Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI RESTRICTIONS

Section 6.1 Residential Purposes.

Except for Unit 134, which may be used for a duplex or two-family dwelling, no other Unit in the Condominium shall be used for other than single family residential purposes. Any dwelling constructed on a Unit shall have an attached private garage for not less than two, nor more than four automobiles.

Section 6.2 Character and Size of Buildings.

- (a) No residence or other structure shall be commenced, erected or maintained on a Unit, nor shall any exterior addition to or change or alteration of any structure be made, until the plans and specifications showing the design, height, materials, color scheme, location on parcel, and the grading and landscaping plan of the Unit to be built upon, shall have been submitted to and approved in writing by the Developer's Review Committee ("Committee") and a copy of the plans and specifications shall have been permanently filed with the Committee.
- (b) The Committee shall have the right to refuse to approve any such plans or specifications or grading or landscaping plans which are not suitable or desirable, in its opinion, for aesthetic or other reasons; and in so passing upon such plans, specifications and grading, it shall have the right to take into consideration the suitability of the proposed residence to be built on the Unit, and the harmony of it with the natural features of the Project and with any residences that may have been constructed on other portions of the Project. The purpose of this Article is to cause the Project to be developed into a harmonious, private residential area, in accordance with the Open Space Community provisions of the Oshtemo Township Zoning Ordinance. If a disagreement on the points set forth in this Article should arise, the decision of the Committee shall control.
- (c) In the event the Committee shall have failed to approve or disapprove such plans and specifications in writing within thirty (30) days after the same shall have been delivered, then the same shall be deemed to have been approved, provided that the plans and specifications and the location of the residence on the Unit conform to and are in harmony with existing residences in the Project, these restrictions and applicable zoning laws and building codes.
- (d) In no event shall any residence be permitted on any Unit which does not comply with the following minimum area requirements, exclusive of garage spaces, space within unwinterized porches and decks, and space within basements which do not contain exterior door openings and windows on at least two (2) walls substantially equivalent to those on other floors:
 - (1) One story ranch home: 1,160 square feet;
 - (2) All other design homes: 1,350 square feet.
- (e) All construction of any residence shall be completed within twelve (12) months after the issuance of a building permit unless an extension of time is granted in writing by the Committee. The construction of any new residence or the repair of any residence damaged by fire or otherwise shall be completed as rapidly as possible and should the owner leave such building in an uncompleted condition for a period of more than one (1) year, then the Developer or the Association or their agents or assigns are authorized to either tear down and clear from the Unit the uncompleted portion of such structure or to complete the same, at their option, and in either event, the expense incurred shall be charged against the owner's interest therein and shall become a lien on the Unit upon which the residence is located; subject to collection or enforcement in the same manner set forth in Section 2.6, above.
- (f) No custom-made or prefabricated out-buildings (i.e., trailer, tent, shanty, shack, barn, shed, etc.), whether wood, metal or other construction shall be permitted, either free-standing or attached to a pre-existing residence, on any Unit, except upon prior written approval from the Committee.
- (g) Temporary buildings of any kind are expressly prohibited and temporary residence or occupancy shall not be permitted without a fully completed exterior of the residence being occupied.

- (h) No old or used buildings of any kind whatsoever shall be moved or reconstructed on any Unit. All residences to be constructed shall have finished exteriors of brick, stone, wood, or, aluminum or vinyl siding, a combination thereof, or other suitable finishes as approved by the Committee. All exterior finishes shall be subject to the prior approval of the Committee.
- (i) All utilities, including, but not limited to, electricity, telephone, water, sewage and gas shall be installed underground, when reasonably possible, except as may otherwise be permitted by prior written approval of the Committee. Exterior fuel tanks shall expressly require the prior written approval of the Committee, including, if permitted, approval of size, placement and screening. No underground storage tanks containing petroleum or other products shall be stored or maintained anywhere on the Project except by prior written approval of the Committee.
- (j) No "through the wall" or "through the window" air conditioners may be installed or maintained in or on any residence constructed within the Project, without the prior written approval of the Committee. Outside compressors for central air conditioning units or other similar machinery shall be located within twenty (20) feet of the residence being served by such equipment, and shall also be located so as to cause the least possible disturbance to neighboring residences.

Section 6.3 Fences.

Fences, hedge rows, garden walls and outdoor screen fences shall be erected or planted only after plans and specifications with respect to the same shall have first been submitted in writing to and approved by the Committee. The Committee is specifically authorized to disapprove stockade type fences.

Section 6.4 Swimming Pools.

All swimming or wading pools shall be constructed in the ground and shall be enclosed by a permanent fence of at least four (4) feet high. Construction thereof shall be commenced only with the prior written approval of the Committee.

Section 6.5 Signs.

No advertising sign of any kind shall be displayed to the public view on any portion of the Project, except one (1) sign of not more than five (5) square feet advertising a Unit during construction and/or sale shall be permitted, and also except signs at entrances to the Project, as approved by the Committee.

Section 6.6 Activities on Property.

- (a) No portion of the Project shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept, except in sanitary containers properly concealed from public view.
- (b) No immoral, improper, unlawful or offensive activities shall be carried on on any Unit, nor shall anything be done which may be or become an annoyance or nuisance to the neighborhood or adjoining residences, nor shall any unreasonably noisy activity be carried on in any portion of the Project.
- (c) The stockpiling and storage of building and landscaping materials and/or equipment shall not be permitted on any Unit, except during construction of a residence on such Unit, without the prior written approval of the Committee.

Section 6.7 Vehicular Parking and Storage.

All non-motorized vehicles (including, without limitation, house trailers, utility trailers, boat trailers, boats, camping trailers and snowmobile trailers), commercial vehicles, camping vehicles, snowmobiles, recreational vehicles or vehicles other than automobiles or vans not exceeding twenty (20) feet in overall

length, shall be stored within the private garage attached to the residence, or with the consent of the Committee, outside of the view of neighboring units, except for temporary outside parking for a period not to exceed forty-eight (48) hours. No automobiles and vehicles of any kind (motorized or non-motorized) shall be parked on the streets or roads within the Project at any time. No inoperable vehicles of any kind shall be brought or stored upon any portion of the Project, either temporarily or permanently. Except for emergency repairs, no maintenance work shall be performed on any vehicle on any portion of the Project. Commercial vehicles and trucks shall not be parked on any portion of the Project, except while making deliveries and pick-ups in the normal course of business, or during the construction of a residence on a Unit within the Project, or unless parked completely within a garage on a Unit.

Section 6.8 Animals.

No chickens, other fowl, horses, or livestock of any kind shall be kept on any portion of the Project. No animals of any kind shall be kept or maintained on any portion of the Project except normal household pets owned by the occupants of a residence located on a Unit within the Project and not maintained for any commercial purpose. Household pets shall have such care so as not to be objectionable or offensive on account of noise, odor or unsanitary conditions. No animal shall be permitted to run loose on any portion of the Project, and any animal shall at all times be attended by a responsible person.

Section 6.9 Dangerous Weapons.

No owner of any portion of the Project shall use, or permit the use by any occupant, agent, employee, invitee, tenant, guest or member of his family of any firearms, air rifles, pellet guns, bows and arrows or other similar dangerous weapons, projectiles or devices anywhere upon any portion of the Project.

Section 6.10 Conservation.

As set forth above, it is the Developer's intention to cause the Project to be developed into a harmonious, private residential area in harmony with the natural features of the property. Hence, in the development or use of the Project, the following standards shall be observed:

- (a) Erosion Control. No soil shall be disturbed, moved or removed from any portion of the Project without the prior consent of the Committee and the Developer. All soil removed in any excavation or construction shall not be removed from the Project without the prior approval of the Developer and without such soil having first been offered at no charge (except removal charges), for use elsewhere within the Project by Developer or Developer's assigns. Upon the completion of the residence on any Unit, the owner of such Unit shall cause it to be finish-graded and seeded, sodded or returned to a condition as close as possible to its natural state as soon after completion as weather permits. All landscaping shall be of an aesthetically pleasing nature and shall be maintained at all times. Basic landscaping, including finished grading and installation of driveways must be completed within six (6) months of the date of occupancy of a residence. All driveways must be of asphalt or concrete construction.
- (b) Preservation of Trees. No trees exceeding six (6) inches in diameter shall be removed or cut from any portion of the Project for purposes other than the construction of a residence and improvements reasonably related thereto, without the prior written approval of the Committee. Trees, bushes and other natural foliage shall not be removed from the area of Unit 134 located within one hundred twenty (120) feet from the centerline of Stadium Drive, without the prior written approval of the Committee.

Section 6.11 Building Set-Backs.

No building on any unit within the Project shall be erected nearer to the lot lines of the Unit than the following schedule: Front (Street) Lot line - 30 feet; Rear Lot line - 30 feet; Side Lot line - 10 feet.

Setbacks for corner lots may be reduced by the Committee along one front (street) lot line, at the Committee's discretion, depending upon topography, screening, and other factors.

Section 6.12 Administration.

(a) Developer's Review Committee Composition.

- (1) The Committee shall consist initially of Gregory G. Smith, Harrison A. Nelson and James A. Boven. At such time as residences have been constructed on at least seventy percent (70%) of the Units within the Project, the Committee shall consist of three (3) persons, who shall be appointed by the Association, although Developer shall be entitled to select one member of the Committee so long as it has an interest in any Unit within the Project. Action by any two members of a three-member committee shall constitute action of the entire committee.
- (2) In the event of death, resignation or inability to act of any member of the Committee, the remaining members shall have authority to designate a replacement member, subject to the provisions of this Section.

(b) Administration by the Committee. The Committee shall have the following powers and duties in addition to the other such powers and duties set forth elsewhere in this Instrument:

- (1) Approval of Plans. All plans and specifications for the construction of any residence, the undertaking of any landscaping or grading, and the location of any such residence, the exterior alteration of any residence and all exterior uses or improvements on a Unit shall be approved by the Committee prior to construction, in accordance with this Article. The Committee may reject all or any portion of the plans submitted or require the modification or re-submission of any such plans.
- (2) Variances. The Committee may grant variances in its absolute discretion from this Article, so long as the general intent of this Article shall be substantially achieved; provided, however, that the granting of any variance by the Committee shall require the unanimous vote thereof.
- (3) Enforcement. The Committee shall have the primary responsibility for the enforcement of this Article, although enforcement may also be undertaken by the Association or the Developer. For such purpose, it shall have the right to take or refuse to take such action as herein provided, institute legal or equitable proceedings, or to take such other action which is reasonably calculated to achieve the purposes herein set forth. Any costs, including reasonable attorney fees, incurred in enforcing this Article shall be assessable against the Unit and the owner thereof, from which a violation arose, and may be enforced in the same manner as provided for in Section 2.6, above. The owner or mortgagee of any Unit within the Project may also enforce the covenants set forth herein.

Section 6.13 Regulations.

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 Board of Directors of the Association. Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all Co-owners in value.

Section 6.14 Responsibility for Actions.

Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other 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, his assigns, tenants, agents, invitees or licensees, 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 excluded 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 of these Bylaws.

Section 6.15 Reserved Rights of Developer.

None of the restrictions contained herein shall apply to the development and construction activities, and signs, if any, of the Developer during the period of sale of any Units in the Project. Notwithstanding anything to the contrary elsewhere contained herein, Developer shall have the right to maintain a sales office, a business office, a construction office and model Units, storage areas and reasonable parking for the foregoing and such access to and from and into the Project as may be reasonably required to enable development of the entire Project by the Developer. The Developer shall restore any areas so utilized to a suitable status upon termination of its use.

Section 6.16 Leasing.

A Co-owner may lease his Unit or any Limited Common Element appurtenant thereto for the same purposes set forth in Section 6.1 of these Bylaws, except that no Co-owner shall lease less than an entire Unit in the Condominium. 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, or the Association, to the extent of any Units owned by the Association, may lease any number of Units in the Condominium in its discretion and may do so for periods which shall also be within its discretion.

Section 6.17 Landscaping.

No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon any General Common Elements, unless approved by the Board of Directors and the Committee in writing.

Section 6.18 Walkways and Open Space.

The walkways, common areas, water leaching areas and open spaces ("Common Areas") shown on the Condominium Subdivision Plan shall be available for use and enjoyment of the co-owners in the Project, but shall be primarily for pedestrian use for walking, hiking, and other similar purposes. Certain portions of the Common Areas may be utilized for equestrian purposes as determined by the Board of Directors and the Committee from time to time. Any such use may also be terminated at any time if it is determined by the Board of Directors or the Committee to be detrimental to the Common Areas and their use by Co-owners. No motor vehicles shall be permitted on these areas except as may be required for maintenance and approved improvements, and except that appropriate driveways for access to the Units shall be permitted, subject to prior approval of the Committee. No new structures, temporary or permanent, shall be constructed, or existing structures expanded, in the Common Areas without the prior approval of the Developer and a majority of the unit co-owners. The Common Areas may be landscaped and improved with walking paths as approved by the Committee and the Board of Directors. The Common Areas shall be maintained by the Association. Natural vegetation providing screening of residences from street networks lying outside of the Project and screening the boundaries of the Project shall be maintained by the Association by preserving and supplementing natural growth. In the event that suitable maintenance of such screening is not undertaken by the Association, or in the event that the Common Areas are determined

by the Charter Township of Oshtemo ("Township") to be a public nuisance, the Township may undertake such maintenance as it deems to be appropriate in accordance with its applicable ordinances and the intent of this section, and the cost incurred by the Township may be assessed to the Association.

Section 6.19 Storm Water Drainage Easements.

Storm water drainage easements on Units within the Project, as shown on Exhibit "B" to this Master Deed, shall be used solely for water drainage and leaching purposes. No activity by any Co-owner shall interfere with the drainage and retention functions of such areas, although a Co-owner whose Unit is affected by a drainage easement shall be entitled to maintain a suitable lawn and landscape materials within the drainage easement.

Section 6.20 Human Services Department Requirements.

All sewage shall be disposed of through a septic or sanitary sewer system of such type and installed and maintained in such manner as shall be approved by the Kalamazoo County Human Services Department and appropriate authorities of the State of Michigan.

**ARTICLE VII
MORTGAGES**

Section 7.1 Notice of Mortgage.

Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee. The Association may, at the written request of a mortgagee of any 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 with respect to the Condominium Documents that is not cured within 60 days.

Section 7.2 Notice of Insurance.

The Association shall notify each mortgagee appearing in the 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 7.3 Notice of Meeting.

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 AMENDMENTS

Section 8.1 Amendments.

The Bylaws may be amended, altered, changed, added to or repealed only in the manner set forth in Article X of the Master Deed of Stratford Hills; provided, however, that the provisions of Article VI of these bylaws shall not be amended without the written consent of Developer so long as Developer continues to own or to offer for sale any Unit in the Project. Notwithstanding the foregoing, no amendment to these Bylaws which shall allow development or use or any portion of the Project not consistent with the zoning ordinance of the Charter Township of Oshtemo, including, but not limited to, the use of the Common Elements contained in the Project, shall be permitted without the prior written approval of the Charter Township of Oshtemo.

Section 8.2 Meeting.

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

Section 8.3 Effective Date of Amendments.

Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon recording of such amendment in the Office of the Register of Deeds in the county where the Condominium is located. Without the prior written approval of all institutional holders of first mortgage liens on any Unit in the Condominium, no amendment to these Bylaws shall become effective which substantially increases or decreases the benefits or obligations or materially affects the rights of any member of the Association or of any such holder of a first mortgage lien on any unit.

Section 8.4 Copies of Amendments.

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

**ARTICLE IX
COMPLIANCE**

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

**ARTICLE X
DEFINITIONS**

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

ARTICLE XI REMEDIES FOR DEFAULT

Section 11.1 Remedies.

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

- (a) Failure to comply with any of the terms or provisions of the Condominium Documents or the Act shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.
- (b) If any proceeding arising because of an alleged default by any Co-owner is successful, the Association shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees, (not limited to statutory fees) as may be determined by the Court, but in no event shall any Co-owner be entitled to recover such attorneys' fees.
- (c) The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.
- (d) The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless Rules and Regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Article XIII, Section 4 of the Association Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owners as prescribed in said Article XIII, Section 4, and an opportunity for such Co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws. The amount of such fines shall be as established by the Association.

Section 11.2 No Waiver.

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

Section 11.3 No Election of Rights.

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

**ARTICLE XII
SEVERABILITY**

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

AMENDMENT I

November 1, 2001

In an effort to maintain harmony within our community and still operate within the confines of the Master Deed and Association By-Laws, the Members of the Board of Directors have issued the attached policy outlining guidelines on landscaping and by-law restrictions and enforcement. The Association By-Laws as written and issued by the developer require the approval of all landscaping and structures. The Board of Directors realized that this represented a more restrictive approach than most members of the association felt was necessary.

Although we all strive to maintain a friendly and comfortable environment in the neighborhood, as homeowners a primary concern is protecting the investment in our homes. How best to achieve this while maintaining neighborhood harmony presented a challenge. It is clear that the opinions of homeowners in our community differ widely from totally disregarding the By-Laws to full enforcement. The Board of Directors worked with information collected by the By-Law Review Committee through surveys and meetings of homeowners. Although it is rarely possible to have full agreement of everyone in the community, the goal was to assure that overall the best interest of the association as a whole was considered. The Board also recognizes that at times enforcement of the Association By-Laws may become necessary, and as such the policy does include steps that will be taken for enforcement.

This policy is intended to simplify and clarify the Association By-Laws and maintain a harmonious neighborhood without excessive enforcement. This policy is effective immediately.

Board of Directors Policy

Guidelines on Landscaping and By-Law Restrictions and Enforcement

The original By-Laws as written require all landscaping and structures to be approved. This policy is intended to simplify and clarify landscaping and those items requiring approval of the Board of Directors of the Stratford Hills Condominium Association. It is not intended to replace Article VI of the Association By-Laws, and restrictions in this section will still apply. It is also important to note that all applicable Township, County and State ordinances and regulations must be followed. The intention is to make the approval process easy for everyone and maintain a harmonious, private residential area without excessive enforcement.

Each type of project may have different requirements; however, just because a project requires approval doesn't mean it can't be done. It is important to seek approval for projects to protect our neighborhood and investments and insure that Association By-Laws are followed. Variances from setback restrictions can be requested.

The approval process is not difficult, and is summarized in the following steps.

- 1) Complete a project review application form including a description of the project, a drawing when applicable and a sketch to show the location relative to lot lines and existing structures.
- 2) Notify your adjacent co-owners and obtain approval signatures when possible.
- 3) Submit the application and any additional documentation to any Board Member. If you wish to receive a copy for your records, please submit in duplicate.

- 1) Although the Board will make every effort to work with co-owners to complete approvals quickly, please allow 30 days for the approval process. Remember projects must be approved prior to work beginning.
- 2) Minimum requirements for some common projects are listed below.

Landscaping

Most general landscaping and planting will not require Board approval.

Planting of trees within 10 feet of an adjacent unit lot line or 20 feet of the edge of the roadway must be approved. All plantings within 20 feet of roadways must be maintained so as to allow a clear site distance of pedestrian and vehicular traffic on the roadways.

Any landscaping that changes the drainage or topography and any re-grading must be approved. Retaining walls are an example of a change to the drainage or topography and must be approved. It is the responsibility of the homeowner to assure proper construction.

Any permanent landscape structures such as gazebos, decks, patios, anything set in the ground or other structures as indicated in Section 6.2 of Article VI must be approved.

Recreational structures, such as play sets, shall not be constructed in the front yard and do not require approval; however, playhouses require approval.

Outbuildings, sheds and storage units

All outbuildings, sheds or storage units must be approved and shall not exceed 24 feet by 40 feet in size, shall be properly proportioned aesthetically and shall be sided and shingled to match the residence with a similar roof pitch. Outbuildings shall be placed properly on the unit with acceptable setbacks (at least 30 feet from the rear lot line and 10 feet from the side lot line) and all applicable permits. Copies of required permits must be submitted to the Board after approval and prior to construction.

Fences

All fencing must be approved. Chain link perimeter fences will not be approved. Stockade style (privacy fences) will not be approved for perimeter fencing. Stockade style or privacy fences may be constructed to shield garbage containers from view. Kennels are considered fencing and as such should be approved. Chain link kennels will be approved in the proper location, placed to create minimal disturbance to neighbors.

Pools

All pools must be constructed in the ground and be surrounded by a fence at least 4 feet high. Copies of required permits must be submitted to the Board and approval must be received from the Board prior to beginning construction. **Temporary paddling type pools are permitted during the summer months (May 1 to October 1). However, the pools must be temporary and be removed and stored out of sight in the winter months. {Amendment passed at the November 17, 2010 Annual General Meeting.}**

Garbage

Garbage shall be properly concealed in a container. Garbage containers should be placed either alongside or concealed within a garage, or behind a fence or enclosure. Garbage containers should not be placed at the street for more than 48 hours.

Parking

The By-laws prohibit parking on the street at any time; however, the Board recognizes special occasions when temporary parking on the street is needed. Parking on common areas is prohibited. Parking on the street is prohibited during snow conditions. **Parking is only permitted on paved driveways. {Amendment passed at the November 17, 2010 Annual General Meeting.}**

Enforcement

It is not the intention of the Board of Directors to patrol the neighborhood or to attempt to strictly enforce the Association By-Laws. The Board will act on written complaints submitted by co-owners or violations brought forth by a Board Member. Co-owners are encouraged to use neighbor-to-neighbor communication first to resolve complaints. Complaints must be submitted in writing to the Board and must not be anonymous. Complaints will be handled during closed session of the Board of Directors to assure discretion and prevent tension between neighbors. There will be a penalty for not submitting plans to the Board for approval prior to beginning a project.

The steps taken as enforcement are as follows:

- 1) The Board (the identity of the complainant can be protected) receives a written complaint, or a by-law violation (such as failure to submit plans to the Board for approval) is brought forth by a Board Member. The Board will act within 10 days of receiving the complaint whenever possible.
- 2) A verbal warning is issued from the Board either by a visit or a call. Corrective action must be initiated within 10 days.
- 3) A written letter is sent from the Board either acknowledging resolution of the situation or restating the complaint if it has not been corrected.
- 4) Ten days after the letter fines will be assessed for any non-resolved complaints. Fines will continue to accrue until the situation is resolved. Fines will be assessed at the rate of \$50 per month until the violation is resolved. The same violation occurring within one year will be a repeat violation and could be assessed a fine immediately.
- 5) Collection of any assessed fines may be by placement of a lien if not paid in a timely manner. Should a lien be required, any costs for filing will also be recovered. Collection policy
 - 1) Letter from the Association
 - 2) Letter from Association Attorney
 - 3) Lien on the unit