



Association of co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes.

- 11) Article VI, Section 1 (c), of the Condominium Bylaws shall be deleted in its entirety and replaced with the following new Article VI, Section 1(c):

(c) Each co-owner will be responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance and liability insurance with respect to the structures and improvements located in the Unit and all limited common elements as set forth in Article IV of the Master Deed. The Association will carry no fire or extended coverage insurance whatsoever for the physical building structures (dwelling) or the Units' limited common elements. The Unit owner shall also provide insurance for the owner's personal property located within the Condominium Unit or elsewhere in the Condominium Project. All such insurance will be carried by each co-owner in an amount equal to the maximum insurable replacement value, and evidenced to the Association in a manner acceptable to the Association. In the event of the failure of a co-owner to obtain such insurance, the Association may obtain such insurance on behalf of such co-owner and the premiums therefore will constitute a lien against the co-owners unit which may be collected from the co-owner in the same manner that Association assessments are collected in accordance with Article V. Each co-owner will also be obligated to obtain insurance coverage for his personal liability for occurrences with the boundaries of his unit (including within the building located thereon) and the limited common elements appurtenant to his unit. The Association will under no circumstances have any obligation to obtain any of the insurance coverage described in this subsection or any liability to any person for failure to do so.

- 12) Article VI, Section 3 (d), of the Condominium Bylaws shall be deleted in its entirety and replaced with the following new Article VI, Section 3 (d):

(d) If the damage is only to a unit, to a structure or improvement located within a unit, or to a limited common element appurtenant to a unit, it shall be the responsibility of the co-owner of the unit to repair such damage in accordance with subsection (e) hereof.

- 13) Article VII of the Condominium Bylaws, "Use and Occupancy Restrictions; Enforcement" shall be deleted in its entirety and replaced with the following new Article VII:

*Section 1. Establishment of Building and Use Restrictions.* In order to provide for congenial occupancy of the Condominium, and for the protection of the value of the units therein, the use of Condominium property shall be subject to the limitations set forth below:

(a) Except for units owned by the Developer which are either undeveloped or used for model display, all units shall be used for residential purposes only and the common elements shall be used only for purposes consistent with such uses.

*Section 2. Residential Use.* Condominium Units shall be used exclusively for residential occupancy, and no Unit or any common element appurtenant thereto shall be used for any purpose other than that of a single family residence or other purposes customarily incidental thereto. The foregoing restrictions as to use shall not, however, be construed in such manner as to prohibit a Co-Owner from: (a) maintaining his or her personal professional library; (b) keeping his or her personal business or professional records or accounts; or (c) handling his or her personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incidental to principal residential use and not in violation of said restrictions. Subject to the restrictions contained herein, and subject to rules and regulations passed by the Association, any Co-Owner, including the Developer, may lease his Unit or Units for a term of no less than six months.

*Section 3. Architectural Control.* No driveway, parking area, fence, building, structure or other improvement shall be constructed within the perimeters of a Condominium Unit or elsewhere on the Condominium Project, nor shall any exterior modification, including repainting, residing, or other changes in the exterior appearance, be made to any existing building, structure or improvement, unless plans and specifications therefore, containing such detail as the Association may reasonably require, have first been approved in writing from the Architectural Design Board, as provided for in this paragraph, as follows:

(a) Until such time as all units have been sold, and dwellings have been built upon them, the Developer retains the right to designate the members of the Architectural Design Board, including the number of members. The initial members of the Architectural Design Board are Brent Walton and Frank Rawlings. At such time as residential structures have been constructed on all Units in the Condominium, the Association shall thereafter have the absolute right to constitute and direct the Architectural Design Board.

(b) In order to obtain approval of the plans and specifications, as required under this paragraph, the following must be approved in writing by the Architectural Design Board:

(1) A site plan indicating the location of the building, and the proposed location of driveways, parking areas, and other improvements to be located on the Unit.

(2) Construction plans, including dimension floor plans, typical sections, and all elevations.

(3) Specifications setting forth the type, color and quality of all materials including a detailed finish schedule for all exterior materials, products, and finishes.

(4) A landscaping plan which shall include grass seeding or sodding the front and side yard of each Unit and a minimum of 25 feet in the rear yard, unless an alternative landscape plan is approved by the ACC.

(5) A construction schedule which will require execution of the plan as approved, without changes.

A checklist of items which must be reviewed and approved by the Architectural Review Board will be created and utilized by the Board for each project submission.

(c) The purpose of these controls is to assure the development of the Condominium as a beautiful and harmonious residential development. The Architectural Design Board will also meet with any Co-Owner and his or her architect to indicate, on a preliminary basis, whether or not a proposed architectural theme or direction will be acceptable, provided that such preliminary approval shall in no event assure final approval of the plans and specifications.

(d) The Architectural Design Board will develop a formal "check list" for its members to further expedite and uphold general predetermined architectural restrictions set forth by the Developer.

(e) The Architectural Design Board may refuse to approve the plans and specifications, as described above, on any reasonable ground, including, but not limited to, the perceived impact of the proposed plans and specifications on the Condominium.

(f) At the time plans and specifications are provided to the Architectural Design Board, two copies of all plans and specifications, together with related data, shall be furnished by the Co-Owner. Blueprints shall be signed by the Architectural Review Board before permits are issued for any construction.

(g) All structures including dwellings and garages shall be constructed within the Unit footprint as shown on Exhibit B. Decks, sidewalks and porches may be constructed within the limited common area of a Unit on the front or rear of the Unit.

*Section 5. Building Restrictions.* In addition to the provisions in the Master Deed for architectural control and the provisions which restrict the use of Units and other lands within the Condominium, the following building restrictions shall apply to all Units in the Condominium:

(a) Only one detached single family dwelling, not to exceed two stories in height, will be permitted on a Unit, which shall include an attached two stall garage. Any variation from this limitation will be permitted only with the approval of the Architectural Design Board and only as a result of circumstances unique to the particular unit or design, and only as long as the same does not, in the judgment of the Architectural Design Board, detract from the overall development plan for the Condominium or the value and beauty of adjoining Units.

(b) All structures within the Condominium must be built by licensed residential builders and licensed contractors.

(c) All structures shall be constructed within the footprints depicted on Exhibit B to the Master Deed, and shall otherwise comply with applicable zoning requirements.

(d) All structures and landscaping, including a seeded lawn, must be completed within twelve months after the construction commences. No structure may be temporarily or permanently occupied until the exterior of the structure is complete and the remainder is complete to the point that a certificate of occupancy has been obtained. During construction, the Co-Owner shall require the contractor(s) to maintain the Unit in a reasonably clean and uncluttered condition, and to do no more damage to the site than is necessary for construction.

(e) Each Co-Owner shall provide space for parking two automobiles off the street prior to the occupancy of any dwelling constructed on said unit in accordance with reasonable standards established by the Architectural Design Board.

(f) No structure of a temporary character shall be placed upon any unit at any time, provided, however, that this prohibition shall not apply to shelters used by the contractor during the construction of the dwelling, it being clearly understood that these temporary shelters may not, at any time, be used as a residence or permitted to remain on the unit after completion of construction.

(g) No outside television antenna, dish or other antenna or aerial shall be placed, constructed, altered or maintained on any unit within the Condominium without the prior written consent of the Architectural Design Board.

(h) All driveways shall be finished in asphalt, concrete, paver bricks or other approved surface, so as to blend with the roadway.

*Section 6. Offensive Conduct.* No immoral, improper, unlawful or offensive activity shall be carried on in any unit or upon the common elements, limited or general, nor shall anything be done which may or becomes an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity be carried on in any unit or on the common elements. 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 condition.

*Section 7. Pets.* A Co-owner may keep up to two (2) normal household pets on the Condominium premises. No animal shall be kept for breeding or other commercial purposes. Any person who permits a pet to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability, including actual attorney fees, which the Association may sustain as a result of the presence of such animal on the Condominium property. Each Co-owner is responsible for maintaining control of any household pets at all times, and all pets shall be leashed during

any period for which they are present on the common elements of the project and each owner shall immediately perform any necessary cleanup required by the keeping of such pet. No tenant shall be permitted to have any pets at any time. Dog pens, dog houses and dog runways are expressly prohibited. Any pet which is the subject of a complaint as a result of unreasonable noise or other annoyance may be required to be removed by a vote of the Board of Directors. The Owner of any pet which is required to be removed by a vote of the Board of Directors which has not been removed within thirty (30) days of the Notice to Remove shall cause the Unit Co-owner to be subject to a fine of \$25.00 per day until the pet is removed. Such fine shall be enforceable in the same manner as monthly assessments.

*Section 8. Commons Use and Appearance.* The common elements, limited or general, 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 the garage areas of the Units 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. The common elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. Automobiles may be washed only on the driveways appurtenant to Co-owners' units. In general, no activity shall be carried on nor condition maintained by a Co-owner either in his unit or upon the common elements, which adversely affects the appearance of the Condominium. The Board of Directors shall be responsible for making such determination if a dispute arises.

*Section 9. Obstructions.* Sidewalks, yards, landscaped areas, driveways, roads, parking areas, balconies, and stairs shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the common elements.

*Section 10. Vehicle and Recreational Vehicle Storage.* House trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, and other vehicles not considered operable automobiles, pickup trucks or vans may not be parked or stored upon any area of the Condominium, other than in the garages appurtenant to Co-owners' units.

*Section 11. Weapons.* No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium premises.

*Section 12. Signs.* No signs or other advertising devices shall be displayed which are visible from the exterior of a unit or on the common elements, including "For Sale" signs, without written permission from the Association and the Developer, except customary For Sale signs advertising the sale of a Condominium Unit.

*Section 13. Additional 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 any Board of Directors of the Association, including the First Board of Directors (or its successors elected by the Developer) prior to the First Annual Meeting of the entire Association held as provided in Article I, Section 8, of these Bylaws. 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 (50%) percent of all Co-owners in number and in value except that the Co-owners may not revoke any regulation or amendment prior to said First Annual Meeting of the entire Association, except by unanimous consent.

*Section 14. Rental of Units.*

(a) A Co-owner, including the Developer, desiring to rent or lease a Condominium unit, shall comply with the provisions of Article VIII hereof.

(b) Tenants or non-Co-owner occupants shall comply with all of the conditions of the Condominium documents of the Condominium Project and all leases and rental agreements shall so state.

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

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

(2) The Co-owner shall have fifteen (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.

(3) If after fifteen (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 the non-Co-owner and tenant or non-Co-owner occupant for breach of the conditions of the Condominium documents. The relief set forth in this section may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages caused by the Co-owner or tenant in connection with the Condominium unit.

(d) When a Co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Condominium 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 deduction shall not be a breach of the rental agreement or lease by the tenant.

*Section 15. Landscaping.* Except as provided in the Condominium documents with respect to lawn maintenance, no Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the General Common Elements without the consent of the Association. No trees shall be removed from the Condominium premises without the approval of the Board of Directors.

*Section 16. Seasonal Furniture.* No unsightly condition shall be maintained upon any deck and only furniture and equipment consistent with ordinary residential and recreational use shall be permitted to remain therein during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored on any deck during seasons when such areas are not reasonably in use, except one picnic type eating table and one food grill.

*Section 17. Unit Maintenance and Damage.* 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, 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 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 may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

*Section 18. Development and Sales Period.* None of the restrictions contained in this Article VII shall apply to the commercial activities or signs or billboards, if any, of the Developer during the development and sales period as defined hereinafter, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Association and Bylaws as the same may be amended from time to time. For the purposes of this Section, the development and sales period shall be deemed to continue so long as Developer owns any unit which he offers for sale. Until all units in the entire Condominium Project are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas, 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 Developer. Developer shall restore the areas so utilized to habitable status upon termination of use.

*Section 19. Water Supply.* Groundwater supply wells are prohibited. All water for home and yard needs shall be provided only through municipal water supply systems.

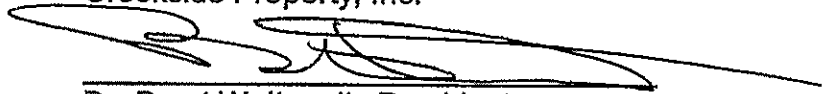


*Section 20. Stormwater Retention Area Maintenance.* The Association shall conduct routine maintenance of the drainage system components within the development to continually meet the specifications of the storm water runoff drainage plan approved by the Grand Traverse County Drain Commissioner's Office. If the Association fails to do the required maintenance on the drainage system facilities, the Drain Commissioner's Office reserves the right to request this maintenance to be done. The Association shall conduct routine maintenance of the approved drainage system components within thirty (30) days of receipt of written notification that action is required, unless other acceptable arrangements are made with the Grand Traverse County Drain Commissioner, and shall conduct emergency maintenance within thirty six (36) hours of written notification; in the event that the Association shall fail to act within these time frames, the Grand Traverse County Drain Commissioner may perform the needed maintenance and assess the costs, therefore against the Association. All costs associated with the maintenance of the system, including such items as engineering or surveying, will be included in the assessment costs against the Association. The Drain Commissioner is hereby provided access around any and all drainage system components for inspection and maintenance to be performed as specified above. In the event the retention drainage system within this Condominium project become part of a County drain, that the rights, obligations, and duties and easements herein may be assigned to the pertinent agency or County officer.

- 14) In all other respects the Master Deed Condominium Bylaws of Kingsley Ridge Condominiums shall remain unchanged.

Dated: August 14, 2006

Creekside Property, Inc.



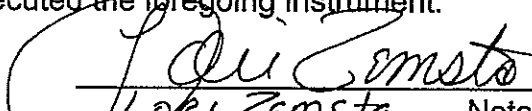
By: Brent Walton, its President

STATE OF MICHIGAN

COUNTY OF GRAND TRAVERSE

)  
)SS  
)

On this 14 day of August, 2006 before me, a notary public, personally appeared Brent Walton, President of Creekside Property, Inc. to me known to be the same person described in and who executed the foregoing instrument.

Wexford  
  
 Lori Zemsta Notary Public  
 Grand Traverse County, MI  
 My commission expires: 10-19-12  
 Acting in Grand Traverse County, MI

Prepared by:  
 Jeffrey J. McManus, Attorney  
 Land & Estate Planning Services, PC  
 3335 South Airport Road West  
 Suite 5B  
 Traverse City, MI 49684  
 231-947-0550