

**EXHIBIT 1 TO THE CONDOMINIUM BYLAWS FOR
THE ISLAND HILLS PHASE II CONDOMINIUM**

**AMENDED DECLARATION OF BUILDING RESTRICTIONS AND COVENANTS
FOR THE ISLAND HILLS PHASE II CONDOMINIUM**

Background

On or about June 29, 1998, the Developer, Pheasant Ridge Development Company, Inc., an Indiana corporation, recorded a Declaration of Building Restrictions and Covenants ("Declaration") which was recorded on June 30, 1998 in the St. Joseph County Register of Deeds at Liber 843, Page 160. The Declaration contained Restrictions and Covenants governing property located in the Townships of Nottawa and Sherman in St. Joseph County. In fact, the Declaration affects the original Island Hills Condominium, St. Joseph County Condominium Subdivision Plan No. 5, which Master Deed was recorded on December 21, 1998, in the St. Joseph County Register of Deeds at Liber 868, Page 357, and also covers the condominium premises for this Condominium, Island Hills Phase II Condominium, and the Area of Future Development of the Island Hills Phase II Condominium.

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AFTER
SIGNATURE
PAGE 8 OF THIS
SECTION

Although the original Declaration covers condominiums, property, and life therein, there is no intention by the Developer that the Island Hills Condominium, or the Island Hills Phase II Condominium are otherwise connected. These two condominiums are separate condominiums, with separate associations, and which will not share finances, decision-making authority, or any other matters, except as expressly set forth in the Condominium Documents for each condominium.

Set forth below are additional covenants and restrictions established by the Developer of the Island Hills Phase II Condominium (sometimes referred to as "Condominium" or "Condominium Project"), which shall bind and benefit all of the Co-Owners of any Units in the Condominium and the Association. It is the intent of the Developer that these Restrictions shall bind and benefit any future Units of the Condominium, including the Area of Future Development.

As set forth herein, the following definitions shall apply:

"Developer" shall mean the developer of the Condominium which shall be Pheasant Ridge Development, Inc. or any successor developer who owns the Condominium Premises;

"Association" shall mean the Condominium Association as set forth in the Condominium Documents for the Condominium; and

"Co-Owner(s)" shall mean any person(s) or entity(ies) which has or have the exclusive, or who shares, fee simple Co-Ownership interest in any Unit in the Condominium, and to the extent that Co-Owners are prohibited from taking any action or activity under these Restrictions, the prohibition shall extend to any of the Co-Owner's agents, representatives, contractors, tenants, subtenants, visitors, mortgagees, and all other parties acting on behalf of any Co-Owners or who

have an interest in the Unit or who are located on the premises described in Article II of the Master Deed which contain the entire Condominium (the "Condominium Premises"); and

All other capitalized terms shall, unless expressly defined in these Restrictions, have the same meaning as they are defined in any of the Condominium Documents for the Condominium.

NOW, THEREFORE, the following are the restrictions and covenants pertaining to the Condominium:

Section 1. All Units within the Condominium shall be used for single family, residential purposes only. Notwithstanding the foregoing, the restrictions set forth in this **Exhibit 1** (sometimes referred to as the "Restrictions") shall not apply to the Developer, who shall have the right to use one or more Units in the Condominium, or portions thereof, for model homes and/or a real estate office, or for uses other than single family residential purposes. Except for the uses put to any Units by Developer, no conspicuous commercial, professional, or other activity or use will be allowed at the Condominium, except with the written consent of the Committee (as defined below). A Co-Owner of a Unit may lease the residence, but only for single family use.

No residence or other "structure" (which shall be defined hereinafter as any improvement or structure of any kind, or any material added or located on or about any Unit, including, but not limited to, any garage, building, pole, wall, swing set, or anything which is permanently or temporarily affixed to the real estate) shall be erected, placed, altered, located, or permitted to remain on any Unit; nor may any structure, equipment, or material be placed on a Unit, until a conceptual plan and a site plan have been approved by the Review Committee (hereinafter "Committee") for the Condominium.

Section 2. If any Co-Owner wishes to remodel or modify the exterior of the residence or any structure, change the exterior color scheme of any structure, or otherwise alter any aspect of any structure which can be seen from the outside of the structure, then said Co-Owner must first submit plans to the Committee, and such changes shall only be undertaken after written approval is obtained therefor from the Committee. No construction or modification of any structures in the Condominium shall be made except by the Co-Owner(s) of any Unit in the Condominium (together with their contractors).

Section 3. Except as provided and approved by the St. Joseph County Health Department or other appropriate governing body, all water wells on all Units must be installed by a Michigan licensed well driller and shall provide (1) a minimum of fifty (50) feet of submergence and/or penetration of a protective clay overburden, and (2) a minimum well depth of ninety (90) feet.

Section 4. All developed Units must connect, at the Co-Owner's cost, to a community sewer system if constructed by the Developer or Association in the future.

Section 5. All individual water wells must be isolated a minimum distance of fifty (50) feet from all septic tanks and all initial and replacement effluent absorption areas, or as required by any state and local laws, as amended.

Section 6. All on-site septic systems must be isolated a minimum distance of 100 feet from any body of surface water, or as required by any state and local laws, as amended.

Section 7. Prior to beginning of construction of a home or other structure of any Condominium Unit, a well and sewage system construction permit must be obtained from the St. Joseph Community Health Agency, Environmental Health Division.

Section 8. When applying for an on-site sewage construction permit, all Units must submit to the appropriate county health department a site plan drawn to scale showing the proposed location of the dwelling, well, septic tank, effluent absorption area, including the replacement area, any outbuildings, proposed pools, driveways, other paved areas, or other permanent structures. Issuance of a sewage construction permit will only be made where sufficient area exists and can be shown on a scaled site drawing to meet the requirements listed above, including that the well, septic tank, initial and replacement absorption areas meet the size and isolation requirements of the "Environmental Health Codes for Branch, Hillsdale, and St. Joseph Counties, Michigan" (and any other applicable local or state laws) for the size of home proposed to be constructed on the Unit.

Section 9. A Co-Owner, including the Developer, desiring to rent or lease a Condominium Unit shall disclose that fact in writing to the Association of Co-Owners at least ten (10) days before presenting a lease or otherwise agreeing to grant possession of a Condominium Unit to potential lessees or occupants and, at the same time, shall supply the Association of Co-Owners with a copy of the exact lease for its review for its compliance with the Condominium Documents. The Co-Owner or Developer shall also provide the Association of Co-Owners with a copy of the executed lease. If no lease is to be used, then the Co-Owner or Developer shall supply the Association of Co-Owners with the name and address of the lessees or occupants, along with the rental amount and due dates of any rental or compensation payable to a Co-Owner or Developer, the due dates of that rental and compensation, and the term of the proposed arrangement.

Section 10. 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.

Section 11. If the Association of Co-Owners determines that the tenant or non-Co-Owner occupants failed to comply with the conditions of the Condominium Documents or the Act, the Association of Co-Owners shall take the following action:

(a) The Association of Co-Owners shall notify the Co-Owner by certified mail, advising of the alleged violation by the tenant. The Co-Owner shall have fifteen (15) days after receipt of the notice to investigate and correct the alleged breach by the tenant or advise the Association of Co-Owners that a violation has not occurred.

(b) If after fifteen (15) days the Association of Co-Owners 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 of Co-Owners, if it is under the control of the

Developer, an action for both eviction against the tenant or non-Co-Owner occupant and, simultaneously, for money damages against the Co-Owner and tenant or non-Co-Owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this section may be made under the Michigan Summary Proceedings Act. The Association of Co-Owners may hold both the tenant and the Co-Owner jointly and severally liable for any damages and liability caused by the Co-Owner or tenant in connection with the Condominium Unit or Condominium Project.

Section 12. When a Co-Owner is in arrearage to the Association of Co-Owners for assessments, the Association of Co-Owners 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 of Co-Owners. The deduction does not constitute a breach of the rental agreement or lease by the tenant. If the tenant, after being notified, fails or refuses to remit rent otherwise due the Co-Owner to the Association of Co-Owners, then the Association of Co-Owners may do the following:

- (a) Issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.
- (b) Initiate summary proceedings under Michigan law.

Section 13. A mailbox and the number of the residence are to be placed on each Unit. The size, location, design, style, and type of materials for each such mailbox and number of the residence must be approved by the Committee.

Section 14. No Unit shall be subdivided or reduced in area or width for use as a building site for any structures, but this shall not be construed to prohibit a building site of one full platted Unit and a fraction of another platted Unit if approved by the Committee and subdivided consistent with the Condominium Documents and Michigan law.

Section 15. No noxious or offensive activity shall be carried on upon any Unit or common area of the Condominium (as defined by the Developer), nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

Section 16. Co-Owners must install underlying sprinkling/irrigation to keep lawns on Units green and in good repair. All such systems shall be installed within ninety (90) days of occupancy of the residence on the Unit. Co-Owners must keep the exterior of all structures clean and in a good state of repair. Notwithstanding anything in these Restrictions to the contrary, if any Co-Owner fails to maintain or repair the Unit or residence, or any structures as set forth herein (including all landscaping), then the Developer, Committee, or Association, in its sole discretion, shall have the right (with contractors) to maintain or repair all structures on the Unit, in its sole discretion, and a special assessment shall be levied against said Co-Owner for the actual costs of said maintenance or repair. Said maintenance and repair of the Unit shall not be deemed a trespass or violate any law, statute, rule, regulation or ordinance, and neither Developer, Committee, nor

Association shall be liable to any Co-Owner for any claims, costs, expenses, damages, or liabilities of any nature whatsoever.

Section 17. No structure of a temporary character, including, but not limited to, a basement, tent, swing set, recreational equipment, shack, garage, barn, or other outbuilding shall be located on any Unit, either temporarily or permanently.

Section 18. All General Common Elements for the Condominium, including, but not limited to, the streets, sidewalks, landscaping, lawn, shrubbery, recreational areas, curbs, storm draining, and all other similar or dissimilar areas, shall be maintained, repaired, or replaced by the Condominium Association, and not by the individual Co-Owners. Co-Owners shall not take any activity to perform, conduct, or cause to be performed or conducted, outdoor repair work or otherwise landscape, mow the lawn, remove snow, plant flowers, gardens, or trees, or take any other activity related to the General Common Elements.

Section 19. No rubbish, junk, materials, inoperative vehicles, machinery, or objectionable or valueless object shall be permitted to accumulate or remain on a Unit. Trash, garbage, or other waste shall be kept in fully enclosed sanitary containers. Co-Owners and their builder shall keep their Units and the adjacent street(s) clear of trash and debris during the construction of a residence or any other structure. Co-Owners and their builders shall prevent any erosion of soils and sand during the Construction process and repair same immediately should any occur. No open burning of rubbish, leaves, or other materials shall be allowed on the Condominium Premises or adjacent property unless the same is a campfire or barbeque which is controlled, safe, and does not bother and is otherwise not a nuisance to the neighbors.

Section 20. All Co-Owners shall obtain all necessary permits, licenses, and approvals for the construction of any residence or structure, including, but not limited to, any building permit, driveway permit, and soil erosion permit, but nothing in these Restrictions shall otherwise prejudice or waive the necessity for the Co-Owner to obtain the approval of the construction of any residence or any other structure from the Committee, or its successor, as set forth herein.

Section 21. No residence shall be deemed completed until a paved, concrete, or brick driveway has been constructed from the street to the garage on said Unit and the area between the Unit boundary line and the curb line or traveled portion of the street is finish graded and seeded.

Section 22. No mining or drilling shall be permitted within the Condominium.

Section 23. Each Unit shall have a post light on an Committee-approved post which shall provide safety lighting from dusk until dawn and controlled automatically by a photocell. All Co-Owners' personal property must be reasonably screened from the view of other Co-Owners. Any exterior lighting shall be buffered so that the source of the light cannot be seen from any adjoining land. Down-lighting and up-lighting where the source of the light is shielded from view is encouraged. No spotlights with direct glare should be used within the Condominium.

Section 24. If approved by the Committee for installation, all mechanical equipment (air conditioning, pool equipment, meters, storage tanks, solar heating, etc.), playground equipment (jungle gyms, swing sets, trampolines, etc.), clothes lines, dog pens, and small satellite dishes shall be screened from view.

Section 25. Notwithstanding anything in these Restrictions to the contrary, if any of the Sections are vague, ambiguous, need further interpretation, or if there is a dispute with a Co-Owner over the meaning of any restriction and/or its applicability to a Unit or Units in the Condominium, then the meaning and its applicability shall be determined by the Committee. For illustrative purposes only, and not by way of limitation, the Committee shall determine what activities shall be deemed noxious or offensive. All Co-Owners agree that the final decision by the Committee regarding the Restrictions shall be final and non-appealable; provided, however, that any decisions made by the Committee or Association or anybody regarding these restrictions which are fraudulent, made in bad faith, or which undermine the purpose of the Condominium Project may be appealed to the St. Joseph County Circuit Court.

Section 26. Notwithstanding anything in these Restrictions to the contrary, the Committee shall have the right to waive any of the Restrictions hereunder, in its sole discretion, which decision shall be final and non-appealable. Said prohibited activity may only be taken by a Co-Owner or other person or entity if said affected person or entity receives written approval therefor from the Committee. No person or entity may rely upon any waiver, forbearance, or variance given by the Committee to any other person or entity, and the failure of the Committee to enforce any covenant or restriction shall in no event be deemed a waiver of the Committee to do so at a later time or prohibit enforcement in the event of a later violation by the same or different persons. Subject to the right of the Committee to waive these Restrictions as set forth in this Section, nothing shall otherwise prohibit or limit the right of any person or entity to enforce these Restrictions.

Section 27. The Committee shall have the sole and exclusive right:

(a) To modify and amend these Restrictions as may be required by the Federal National Mortgage Association, or other insurer of first mortgages upon the Units, without acquiring the approval or joinder of the Committee or mortgagee.

(b) To amend these Restrictions for the purpose of curing any error or ambiguity in or any inconsistency between the provisions contained herein without acquiring the approval or joinder of any other Co-Owner or mortgagee. In such event, the Committee shall record all such amendments.

(c) To include in any contract, deed, sublease agreement, or other instrument hereafter made, any additional covenants or restrictions.

(d) To use any unsold Unit as an aide in selling Units or as a sales office, construction office, parking lot, or for any other reasonable use, and shall further be allowed to install signs advertising the sale of Units, construction trailers, and sales trailers. The Committee will further have the right to complete Construction of all improvements to any

common areas contemplated by its development plan and to transact any business to consummate the sale of Units after the transfer of any of its rights and powers under these Restrictions.

(e) To add additional property to the Condominium and subject the same to these Restrictions, and require said additional property to be part of the Association. In the event additional property is added to the Condominium or subject to these Restrictions, the Restrictions may be modified by Developer as they are applied to the additional property.

(f) To add, alter, or amend these Restrictions which new, altered, or amended Restrictions shall run with the land as set forth herein.

Section 28. All mineral rights are reserved by the Developer and its successors.

Section 29. Notwithstanding anything in these Restrictions to the contrary, whenever a violation of these Restrictions exists, the Committee shall have the right, but not the obligation, to enter upon the Unit to remove the violation and such entry and abatement or removal shall not be deemed a trespass or make the Committee liable for any damages that result from such abatement. In the event that the Committee shall sue to enforce any of the restrictions set forth herein, against any Co-Owner or person, then all attorneys fees and costs incurred by said parties shall be paid by the offending Co-Owner(s) and other persons against whom the proceedings were commenced, if any part of the relief sought by said parties shall be granted by the court. The remedies set forth in these restrictions shall be cumulative and not exclusive.

Section 30. No Co-Owner may impose any additional covenants or restrictions on any part of the Condominium except as set forth herein.

Section 31. As set forth above, the purpose of this Amended Declaration is to add to the original Declaration and, where expressly stated, amend the original Declaration. If there are any contradictions between this Amended Declaration and the original Declaration, the terms of this Amended Declaration shall control the rights and obligations of the Co-Owner(s) and any other occupants within the Condominium Premises, and any Area of Future Development. Notwithstanding the foregoing, except where there are contradictions, if any, the terms and provisions of this Amended Declaration and the original Declaration shall form one integrated agreement and control the rights and obligations of all Co-Owners and occupants and other affected parties living within the Condominium Premises and Area of Future Development. Notwithstanding the foregoing, it is not the Developer's intent that these Amended Declarations affect any Co-Owner(s) within the original Island Hills Condominium.

End of Restrictions

Developer:

Pheasant Ridge Development Company, Inc.

By:  Pres.
Jeffrey A. Chupp
Its: President

\$41.00 RESTRICTIONS
Receipt #4961

LIDER 843 PAGE 160
STATE OF MICHIGAN
ST. JOSEPH COUNTY
RECORDED

30 JUN 1998 4:43:39 PM

CYNTHIA L. JARRATT
REGISTER OF DEEDS

**DECLARATION OF BUILDING
RESTRICTIONS AND COVENANTS**

THIS DECLARATION, made effective the 29th day of June, 1998, by PHEASANT RIDGE DEVELOPMENT COMPANY, INC., an Indiana corporation of 58573 CR 115, Goshen, Indiana 46526, "Declarant" and by ISLAND HILLS PROPERTIES, INC., a Michigan corporation, "Island Hills".

WHEREAS, Declarant and Island Hills are the owners of certain property located in the Townships of Nottawa and Sherman, County of St. Joseph, State of Michigan, which is more particularly described in Schedules A and B attached hereto and referred to herein as "Property", and;

WHEREAS, Declarant and Island Hills desire to provide for the orderly residential development and use of the Property and the preservation of the value of the Property;

NOW, THEREFORE, Declarant and Island Hills hereby declare that the Property described herein shall be held, sold and conveyed subject to the following restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and be binding on all parties having any right, title or interest in the Property, or any part thereof, their heirs, successors, legal representatives and assigns, and shall inure to the benefit of each owner thereof.

1. Lands Affected. The Property described in Schedules A and B attached hereto and made a part hereof (referred to herein as the "Property") shall be subject to and be bound by the terms of this Agreement.

2. General Intent. It is the general intent of this Declaration to permit and, encourage the construction and maintenance of compatible residential dwellings on lots, units or parcels ("Lots") within the Property.

3. Residential Purposes. No Lot in the Property shall be used for other than residential purposes. Any individual dwelling constructed on a single Lot shall have an attached private garage for not less than two (2), nor more than three (3) automobiles, unless approved by the Committee.

4. Character and Size of Buildings.

A. No building, residence or other structure or outside improvements of any kind (including, but not limited to, children's play equipment, tree houses, etc.) shall be commenced, erected or maintained on a Lot, 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, outside lighting, and the grading and landscaping plan of the Lot to be built upon, shall have been submitted to and approved in writing by the Declarant'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 Lot, and the harmony of it with the natural features of the Property and with any residences that may have been constructed on other portions of the Property. The purpose of this Article is to cause the Property to be developed into a harmonious, private residential area. 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 Lot conform to and are in harmony with existing residences in the Property, these restrictions and applicable zoning laws and building codes.

D. In no event shall any individual residence be permitted on any single Lot 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: 1,400 square feet;
- (2) All other design homes: 1,800 square feet with at least 1,000 square feet on the ground level.

E. All construction of any building or 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 building or residence or the repair of any building or 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 Declarant or the condominium or other association associated with the Property, or their agents or assigns, are authorized to either tear down and clear from the Lot 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 Lot upon which the residence is located.

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 Lot, unless approved in writing by 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 Lot. All buildings or 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 and colors 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 Property 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 Property, 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. All outside lighting on any residence within the Property shall be subject to prior written approval of the Committee, and shall be designed so as to not project directly onto an adjoining Lot and to eliminate glare visible from another Lot. Each residence constructed on a Lot within the Property shall have a post light of a type and at a location approved by the Committee, near the front door of the residence, with a mechanism to cause the light to be illuminated at all times after dark.

K. No outside antennas or satellite dishes shall be allowed on any Lot, except a satellite dish not greater than 24" in diameter, placed in a location approved by the Committee.

5. 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 and fences in any part of a Lot lying within twenty-five (25) feet of the shoreline of a lake or within thirty-five (35) feet of abutting fairways, tees or greens associated with an adjoining golf course. Any fence located on the lakeside of a residence shall not exceed four (4) feet in height. Any hedges or other landscape material located along or near property lines on the lakeside of a residence shall not exceed four (4) feet in height and shall not obstruct lake view of abutting Lot owners.

6. 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, consistent with applicable setbacks. Construction thereof shall be commenced only with the prior written approval of the Committee.

7. Signs. No advertising sign of any kind shall be displayed to the public view on any portion of the Property, except one (1) sign of not more than five (5) square feet advertising a Lot during construction and/or sale shall be permitted. No signs shall be placed on vacant, undeveloped Lots.

8. Activities on Property.

A. No portion of the Property 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 Lot, 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 on any portion of the Property.

C. The stockpiling and storage of building and landscaping materials and/or equipment or firewood or similar materials shall not be permitted on any Lot, except during construction of a residence on such Lot, without the prior written approval of the Committee.

D. No clothing or household fabric shall be hung, dried, or aired in a manner that is visible from any roadway.

E. The owner of any undeveloped Lot shall be responsible for mowing and trimming any grass, weeds or other ground cover on a Lot to prevent an unsightly or unkept condition, and inhibit the spread of weeds to other Lots.

9. 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 fourteen (14) 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 Lots, except for temporary outside parking on a paved driveway 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 Property at any time. No inoperable vehicles of any kind shall be brought or stored upon any portion of the Property, either temporarily or permanently. Except for emergency repairs, no maintenance work shall be performed on any vehicle on any portion of the Property. Commercial vehicles and trucks shall not be parked on any portion of the Property, except while making deliveries and pick-ups in the normal course of business, or during the construction of a residence on a Lot within the Property, or unless parked completely within a garage on a Lot.

10. Animals. No chickens, other fowl, horses, or livestock of any kind shall be kept on any portion of the Property. No animals of any kind shall be kept or maintained on any portion of the Property except normal household pets owned by the occupants of a residence located on a Lot within the Property and not maintained for any commercial purpose; with only one (1) dog or one (1) cat allowed per Lot. 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 Property, and any animal shall at all times be attended by a responsible person. No outside dog runs, fenced or otherwise shall be allowed. No vicious or attacked-trained dogs shall be allowed or kept on any Lot.

11. Dangerous Weapons. No owner of any portion of the Property 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 Property.

12. Conservation. As set forth above, it is the intention of the parties to cause the Property 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 Property, the following standards shall be observed:

A. Erosion Control. No soil shall be disturbed, moved or removed from any portion of the Property without the prior consent of the Committee and the Declarant. All soil removed in any excavation or construction shall not be removed from the Property without the prior approval of the Declarant and without such soil having first been offered at no charge (except removal charges), for use elsewhere by Declarant or Declarant's assigns. Upon the completion of the residence on any Lot, the owner of such Lot 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 all landscaping

and lawns shall be maintained and mowed to appropriate levels 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 concrete construction.

B. Preservation of Trees. No trees exceeding six (6) inches in diameter shall be removed or cut from any portion of the Property for purposes other than the construction of a residence and improvements reasonably related thereto, without the prior written approval of the Committee.

C. All Lots within the Property upon which a residence has been constructed shall have an underground irrigation system capable of adequately watering all cultivated areas. The systems must be installed within six (6) months of occupancy of a residence and must be maintained in good working order and operated sufficiently to ensure proper growing conditions. Notwithstanding the foregoing, no water for such irrigation systems may be pumped from Lake Templene without the prior consent of the Developer (as referred to in paragraph 21).

13. Building Set-Backs. No building or other structure on any lot within the Property shall be erected nearer to the lot lines of the Lot than the following schedule: Front (Street) Lot line - 30 feet; Rear Lot line - 25 feet or 25% of the depth of the Lot, whichever is greater; Side Lot line - ten percent (10%) of Lot width at the front setback line, or 10 feet, whichever is greater. Setbacks for Lots abutting fairways, tees, or greens of an adjoining golf course shall be a minimum of thirty-five (35) 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. Setbacks involving concave, convex, meandering lines, or setbacks on multiple contiguous Lots shall be determined by the Committee. All setbacks shall not be less than those required by the local zoning ordinance.

14. Administration.

A. Declarant's Review Committee Composition.

(1) The Committee shall consist initially of three (3) members appointed by the Declarant. Until such time as residences have been constructed on sixty-six and two-thirds ($66 \frac{2}{3}$) of the Lots within the Property, one member of the Committee shall be as designated by Island Hills, or its successor-in-interest. At such time as residences have been constructed on at least sixty-six and two-thirds ($66 \frac{2}{3}$) of the Lots within the Property, the Committee shall consist of three (3) persons, one (1) of whom shall be appointed by the Association. Declarant shall be entitled to select two members of the Committee so long as it has an interest in any Lot within the Property. Action by any two members of a three-member committee shall constitute action of the entire committee. The Committee may reject any plan because of too great a similarity to nearby existing structures, because, in the opinion of the Committee the building is improperly placed on the Lot, or because

the building is not aesthetically compatible with other nearby existing structures.

(2) In the event of death, resignation or inability to act of any member of the Committee, the Declarant shall have authority to designate a replacement member, subject to the provisions of this paragraph, and until such time as the Declarant has sold one hundred percent (100%) of the Lots within the Property.

(3) Neither the Committee nor any member thereof, shall be entitled to any compensation from any owner of a Lot in the Property on account of any service performed in the examination of plans of specifications.

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 Lot 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 Declarant or by a condominium or other association associated with the Property. 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 as a lien against the Lot and the owner thereof, from which a violation arose, and may be enforced in the same manner as provided for by law for mortgages. The owner or mortgagee of any Lot within the Property may also enforce the covenants set forth herein.

15. Lake Templene Property Owners Association, Inc.. Declarant discloses the existence of Lake Templene Property Owners Association, Inc. ("Lake Templene Association").

Each Co-owner of a Lot in the Property shall qualify as a member of Lake Templene Association. The purpose of the Lake Templene Association is to oversee and maintain certain common areas contained in subdivisions located on Lake Templene. Any condominium or other association associated with the Property is authorized to include in its annual budget reasonable amounts for the payment of dues to the Lake Templene Association.

16. Responsibility for Actions. Each Co-owner shall maintain his Lot 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 lines and systems and any other elements in any Lot which are appurtenant to or which may affect any other Lot.

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

18. Reservation of Easements.

A. Utility and Drainage Easements.

(1) Declarant reserves an easement for utility services and for drainage over the six (6) foot wide strip of land that lies contiguous to each sideline of every Lot in the Property.

(2) Declarant reserves an easement for utility services and for drainage over the ten (10) foot wide strip of land that lies contiguous to the lake shoreline of every Lot in the Property.

(3) Declarant reserves an easement for utility services and for drainage over the ten (10) foot wide strip of land that lies contiguous to the front line of every Lot in the Property.

B. Flowage Easement. Every numbered Lot in the Property that lies contiguous to the lake shall be subject to a flowage easement to an elevation on the Lot equal to the highwater elevation in such lake.

C. Insurance and Release. Each Lot owner shall be required to maintain

insurance for any property damage or personal injury or death caused by any golfing activity on the adjacent golf course, and each lot owner waives, releases and discharges Island Hills Golf Club, Inc. and its members, managers, employees, agents, guests, customers and players from any action, cause of action, suit, claim, damages, or expenses (including attorneys' fees) resulting from any golfing activity on the golf course.

19. Water Well and Septic Systems. A well water supply construction permit and an on-site sewage permit for each Lot shall be obtained from the District Health Department prior to beginning construction on any Lot.

All sanitary plumbing shall conform with the minimum requirements of the Health Department of St. Joseph County and the State of Michigan. Plumbing shall comply with all applicable codes or ordinances.

(1) All dwellings shall be served by an on-site sewage disposal system. Private septic tanks and drainfields shall be constructed in compliance with the regulations of the St. Joseph County or District Health Department and with applicable Michigan Department of Public Health regulations.

(2) All dwellings shall be served by an on-site potable water supply system. All wells on individual lots shall be installed by a well driller licensed by the State of Michigan. All wells shall be grouted in compliance with the requirements and recommended procedures of the Michigan Department of Public Health. A complete well log form for each potable water well shall be submitted to the County or District Health Department within sixty (60) days following completion of such well.

(3) The main floor of all residential buildings on each Lot shall be at or above elevation 834 and constructed in a manner to allow gravity flow of sewage wastes from all required plumbing fixtures into the on-site sewage disposal system.

20. Flood Plain Restrictions.

A. The following restrictions apply to dwellings affected by the 100-year flood plain limits of Lake Templene. All such dwellings shall:

(1) Have lower floors, excluding basements, not lower than the elevation of the contour defining the flood plain limits.

(2) Have openings into the basement not lower than the elevation of the contour defining the flood plain limits.

(3) Have basement walls and floors, below the elevation of the contour defining the flood plain limits, watertight and designed to withstand hydrostatic pressures from a water level equal to the elevation of the contour defining the flood plain limits following methods and procedures outlined in Chapter 5, Type A construction and Chapter 6 for Class 1 loads found in "Flood Proofing Regulations" EP 1165 2 314 prepared by the Office of the Chief Engineers, U.S. Army, Washington, D.C., June 1972. Figure 5, Page 14.5 of the regulations show typical foundations drainage and waterproofing details.

(4) Be equipped with a positive means of preventing sewage backup from septic lines and drains which serve the building.

(5) Be properly anchored to prevent flotation.

B. The 100-year flood plain limit for Lake Templene is elevation 831.0 (N.G.V. Datum). No filling or occupation of the flood plain shall take place without prior written approval from the Michigan Department of Natural Resources and the Committee.

21. Lake Templene.

A. Water Usage and Control. Lake Templene is designated as a private lake and as such, the right to usage and control remain with St. Joseph County Lake and Land Development Corp., Island Hills, Michigan corporations ("Developer") or their successors or authorized agents.

(1) Usage and enjoyment of the water is to be controlled by the Developer, including but not in limitation thereof, prohibition of pumping water from the lake to lawn sprinkler systems.

(2) There shall be no water skiing or power boat racing before nine a.m. or after official sunset, except for special events authorized by the Developer or the Lake Templene Association hereafter described.

(3) The frontage on Lake Templene associated with each lake front Lot may be used by the owner of the Lot adjacent to the lake only for access to the lake for swimming, fishing, wading and boating. No boats may be moored on any common element of the Property. No permanent or seasonal rafts, piers, or boat mooring within Lake Templene shall be allowed without the prior approval of the Committee. Only one (1) dock may be erected on each Lot having frontage on the lake. Boats and docks shall not be placed or moored across Lot lines, as extended into the lake. All use of Lake Templene frontage associated with the Property, shall be subject to applicable state and local statutes and ordinances, and also the provisions of this Declaration.

(4) To control the use of Lake Templene, and thereby benefit all residents, riparian rights of Lots abutting or bordering the Lake shall be limited as set forth in this Declaration.

B. Shoreline and Water Level Control. For the good of the waters of Lake Templene and for the control of weed growth and for control of fish population, the Developer and Lake Templene Association shall be entitled to lower the level of the lake for periods of time when deemed necessary. Developer shall also have the right to control the level of the water in the lake, in accordance with applicable laws and regulations.

The Declarant and its successors and assigns, shall have the right at any time to dredge or otherwise remove any accretion or deposits from any Lots adjacent to the lake below the 100-year flood plain limit in order to maintain the established shoreline of the lake.

C. Islands. No owner of any portion of the Property shall have any rights whatsoever with respect to any islands located within Lake Templene.

22. Condominium Subdivision. Declarant contemplates developing the Property as a subdivision under Act 59 of the Public Acts of 1978, the Michigan Condominium Act (the "Act"). The subdivision will be effected by the recording of a master deed by Declarant in accordance with the provisions of the Act. The master deed will contain such definitions and provisions as may be necessary to adequately describe and establish the condominium, within the sole discretion of Declarant, or its successors or assigns. Any person or entity purchasing or owning a Lot or parcel within the Property shall be deemed to have irrevocably consented to the execution and recording of the master deed establishing the condominium, and the inclusion of such purchased Lot as part of the condominium project. At Declarant's request, any such purchaser shall execute such consents or other documents as Declarant reasonably requests to effect the recording of the master deed and impose the condominium regime upon the Property and the purchased Lot. Any such purchaser shall be deemed to have irrevocably appointed Declarant, and/or Declarant's successors, assigns, and legal representatives, as agent and attorney for the purpose of execution of the aforementioned documents in the name of and on behalf of such purchaser, upon the default of execution by a purchaser of the foregoing documents.

23. Term. The provisions contained herein shall be deemed to be covenants running with the land and shall be binding upon the owners of all or any portion of the Property, their heirs, successors, legal representatives and assigns, and all persons claiming under them until December 31, 2019, provided, that these standards shall be automatically extended for successive periods of ten (10) years unless modified or terminated by the affirmative of all of the owners of parcels within the Property. Notwithstanding the foregoing, this Declaration may be amended at any time by the Declarant without the consent of any owner or mortgagee of a Lot within the Property to remove portions of the Property herefrom, or for other purposes when such amendment does not materially, adversely, affect the rights of any such owner or mortgagee.

24. Severability. The voiding or limitation of any one (1) or more of the restrictive covenants contained herein by judgment or court order shall in no way affect any of the remaining provisions and all of the remaining covenants shall remain totally and severally enforceable.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this instrument, effective on the date set forth above.

DECLARANT:

PHEASANT RIDGE DEVELOPMENT COMPANY, INC.

By: [Signature]
Jeffery A. Chupp
Its: President

ISLAND HILLS PROPERTIES, INC.

By: [Signature]
Thomas J. Temple
Its: President

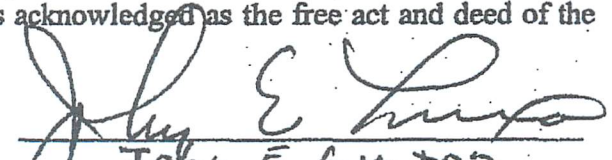
STATE OF Michigan)
COUNTY OF Kalamazoo)ss

On this 29th day of June, 1998, before me personally appeared Jeffery A. Chupp, to me personally known, who being by me sworn, said that he is the President of Pheasant Ridge Development Company, Inc., an Indiana corporation (the "Corporation") who executed this instrument; that this instrument was signed on behalf of the Corporation by authority of its board of directors; and that this instrument is acknowledged as the free act and deed of the Corporation.

[Signature]
John E. Luton
Notary Public
St. Joseph County, Mi
My Commission Expires: 2/18/2000

STATE OF MICHIGAN)
)ss
COUNTY OF St Joseph)

On this 29th day of June, 1998, before me personally appeared Thomas J. Templin, to me personally known, who being by me sworn, said that he is the President of Island Hills Properties, Inc., a Michigan corporation (the "Corporation") who executed this instrument; that this instrument was signed on behalf of the Corporation by authority of its board of directors; and that this instrument is acknowledged as the free act and deed of the Corporation.



John E Lutton
Notary Public
St. Joseph County, Michigan
My Commission Expires: 2/18/2000

This instrument drafted by:
Michael L. Chojnowski, Esq.
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