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EXHIBIT A
CONDOMINIUM BY-LAWS
ROOSEVELT RIDGE CONDOMINIUM

ARTICLE I

CONDOMINIUM PROJECT

Section 1. Organization. Roosevelt Ridge Condominium, a residential condominium project located in the City of Ferrysburg, Ottawa County, Michigan (the "Project") is being constructed in successive segments so as to comprise a maximum of 96 living units (the "Units"). Upon the recording of the Master Deed, the management, maintenance, operation and administration of the Project shall be vested in an Association of Co-owners organized as a non-profit corporation under the laws of the State of Michigan (the "Association").

Section 2. Compliance. All present and future Co-owners, mortgagees, lessees or other persons who may use the facilities of the Condominium in any manner shall be subject to and comply with the provisions of Act No. 59, P.A., 1978, as amended (the "Act"), the Master Deed and all amendments thereto, and the Articles of Incorporation, Association By-Laws, and other Condominium Documents which pertain to the use and operation of the Condominium property, current copies of which shall be kept by the Association and made available for inspection at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Project; provided, that in the event of a conflict between the provisions of the Act and any other Condominium Documents referred to herein, the provisions of the Act shall govern. The acceptance of a deed of conveyance, the entering into of a lease or the act of occupancy of a Condominium Unit in the Project shall constitute an acceptance of the provisions of these instruments and an agreement to comply therewith.

ARTICLE II

MEMBERSHIP AND VOTING

Section 1. Membership. Each Co-owner of a Unit in the Project, present and future, shall be a member of the Association and no other person or entity shall be entitled to membership. The share of a member in the funds and assets of the Association may be assigned, pledged or transferred only as an appurtenance to his Condominium Unit.

Section 2. Voting Rights. Except as limited in the Master Deed and in these By-Laws, each Co-owner shall be entitled to one

vote for each Unit owned when voting by number and one vote, the value of which shall equal the total of the percentages assigned to the Unit or Units owned by him as set forth in the Master Deed, when voting by value. Voting shall be by number, except in those instances where voting is specifically required to be in both value and in number, and no cumulation of votes shall be permitted.

Section 3. Members Entitled to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented written evidence of ownership of a Condominium Unit in the Project, nor shall he be entitled to vote (except for elections held pursuant to Article III, Section 4 hereof) prior to the Initial Meeting of Members. The Developer shall be entitled to vote only those Units to which he still holds title and for which he is paying the monthly assessment then in effect at the date on which the vote is cast.

The person entitled to cast the vote for the Unit and to receive all notices and other communications from the Association shall be designated by a certificate signed by all the record owners of the Unit and filed with the Secretary of the Association. Such certificate shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned, and the name and address of the person or persons, firm, corporation, partnership, association, trust or other legal entity who is the Co-owner thereof. All certificates shall be valid until revoked, until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned.

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and any adjournment thereof, and must be filed with the Association before the appointed time of the meeting.

Section 5. Majority. At any meeting of members at which a quorum is present, 51% of the Co-owners entitled to vote and present in person or by proxy shall constitute a majority for the approval of the matters presented to the meeting, except as otherwise required herein, by the Master Deed or by law.

ARTICLE III

MEETINGS AND QUORUM

Section 1. Initial Meeting of Members. The initial meeting of the members of the Association may be convened only by the Developer and may be called at any time after 50% or more of the Units in Phase I of the Project have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to non-developer Co-owners of 75% of the total number of Units that may be created or

54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, whichever first occurs, at which meeting the eligible Co-owners may vote for the election of directors of the Association. The Developer may call meetings of members of the Association for informational or other appropriate purposes prior to such initial meeting, but no such informational meeting shall be construed as the initial meeting of members.

Section 2. Annual Meeting of Members. Thereafter, an annual meeting of the members shall be held in each year at the time and place specified in the Association By-Laws. At least 10 days prior to the date of an annual meeting, written notice of the time, place and purpose of such meeting shall be mailed or delivered to each member entitled to vote at the meeting; provided, that not less than 20 days written notice shall be provided to each member of any proposed amendment to these By-Laws or to other Condominium Documents.

Section 3. Advisory Committee. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of one-third of the Units that may be created, or one 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, up to three persons shall be selected by the Developer from among the non-developer Co-owners to serve as an Advisory Committee to the Board of Directors. The purpose of the Advisory Committee shall be to facilitate communication between the Board of Directors and the non-developer Co-owners and to aid in the ultimate transition of control to the Association. The members of the Advisory Committee shall serve for one (1) year, or until their successors are selected, and the Advisory Committee shall automatically cease to exist at the Transitional Control Date. The Board of Directors and the Advisory Committee shall meet with each other at such times as may be requested by the Advisory Committee; provided, however, that there shall be not more than two such meetings each year unless both parties agree.

Section 4. Composition of Board. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 25% of the Units that may be created, at least 1 director and not less than one-fourth of the Board of Directors of the Association shall be elected by non-developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 50% of the Units that may be created, not less than one-third of the Board of Directors shall be elected by non-developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 75% of the Units that may be created, and before conveyance of 90% of such Units, the non-developer Co-owners shall elect all directors on the Board except that the Developer shall have the right to designate at least one director as long as the Developer owns and offers for

sale at least 10% of the Units in the Project or as long as 10% of the Units remain that may be created.

Notwithstanding the formula provided above, 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 75% of the Units that may be created has not been conveyed, the non-developer Co-owners shall have the right to elect a number of members of the Board of Directors of the Association equal to the percentage of Units they hold, and the Developer has the right to elect a number of members of the Board equal to the percentage of Units which are owned by the Developer and for which assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established herein. Application of this provision does not require a change in the size of the Board as set forth in the corporate by-laws.

If the calculation of the percentage of members of the Board that the non-developer Co-owners have a right to elect hereunder, or if the product of the number of members of the Board multiplied by the percentage of Units held by the non-developer Co-owners results in a right of non-developer Co-owners to elect a fractional number of members of the Board, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board that the non-developer Co-owners shall have the right to elect. After application of this formula, the Developer shall have the right to elect the remaining members of the Board. Application of this provision shall not eliminate the right of the Developer to designate at least one member as provided herein.

Section 5. Quorum of Members. The presence in person or by proxy of twenty-five (25%) percent of the Co-owners entitled to vote shall constitute a quorum of members. 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.

ARTICLE IV

ADMINISTRATION

Section 1. Board of Directors. The business, property and affairs of the Association shall be managed and administered by a Board of Directors to be elected in the manner set forth in the Association By-Laws; provided, that the directors designated in the Articles of Incorporation shall serve until such time as their successors have been duly elected and qualified at the initial meeting of members. All actions of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto elected by the Developer before the initial

meeting of members shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the members of the Association at the initial meeting or at any subsequent meeting, so long as such actions are within the scope of the powers and duties which may be exercised by a Board of Directors as provided in the Condominium Documents. A service contract or management contract entered into between the Association and the Developer or affiliates of the Developer shall be voidable by the Board of Directors on the Transitional Control Date or within ninety (90) days thereafter, and on thirty (30) days notice at any time thereafter for cause.

Section 2. Powers and Duties. The Board shall have all powers and duties necessary for the administration of the affairs of the Association. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the following:

- (a) Care, upkeep and maintenance of the common elements;
- (b) Development of an annual budget, and the determination, assessment and collection of amounts required for the operation and other affairs of the Condominium property;
- (c) Employment and dismissal of personnel as necessary for the efficient management and operation of the Condominium property;
- (d) Adoption and amendment of rules and regulations covering the details of the use of Condominium property;
- (e) Opening bank accounts, borrowing money and issuing evidences of indebtedness in furtherance of the purposes of the Condominium, and designating signatories required therefor;
- (f) Obtaining insurance for Condominium property, the premiums of which shall be an expense of administration;
- (g) Leasing or purchasing premises suitable for use by a managing agent and/or custodial personnel, upon such terms as the Board may approve;
- (h) Granting concessions and licenses for the use of portions of the common elements for purposes not inconsistent with the provisions of the Act or of the Condominium Documents;
- (i) Authorizing the execution of contracts, deeds of conveyance, easements and rights-of-way affecting any real

or personal property of the Condominium on behalf of the Co-owners;

(j) Making repairs, additions and improvements to, or alterations of, the Condominium property, and repairs to and restoration of the property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(k) Asserting, defending or settling claims on behalf of all Co-owners in connection with the common elements of the Project and, upon written notice to all Co-owners, instituting actions on behalf of and against the Co-owners in the name of the Association; and

(l) Such further duties as may be imposed by resolution of the members of the Association or which may be set forth in the Condominium Documents.

Section 3. Books of Account. The Association shall keep books and records containing a detailed account of the expenditures and receipts affecting the administration of the Condominium, 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 its Co-owners. Such accounts shall be open for inspection by the Co-owners during reasonable working hours at a place to be designated by the Association, and the Association shall prepare therefrom, and distribute to all Co-owners at least once per year, a financial statement, the contents of which shall be defined by the Association. The books and records shall be reviewed annually and audited at such times as required by the Board of Directors by qualified independent accountants (who need not be certified public accountants), and the cost of such review or audit shall be an expense of administration.

Section 4. Maintenance and Repair. All maintenance of and repair to a Condominium Unit, other than maintenance of and repair to any general common element contained therein, shall be made by the Co-owner of such Unit. Any Co-owner who desires to make repairs to a common element or structural modifications to his Unit must first obtain the written consent of the Association, and shall be responsible for all damages to any other Units or to the common elements resulting from such repairs or from his failure to effect such maintenance and repairs.

All maintenance of, repair to and replacement of the general common elements, whether located inside or outside the Units, and to limited common elements to the extent set forth in the Master Deed, shall be made by the Association and be charged to all the Co-owners as a common expense unless necessitated by the negligence, misuse or neglect of a Co-owner, in which case such expense shall be charged to such Co-owner. The Association or its

agent shall have access to each Unit from time to time during reasonable working hours, upon notice to the occupant thereof, for the purpose of maintenance, repair or replacement of any of the common elements located therein or accessible therefrom. The Association or its agents shall also have access to each Unit at all times without notice for making emergency repairs necessary to prevent damage to other Units, the common elements or both.

Section 5. Reserve Fund. The Association shall maintain a reserve fund, to be used only for major repairs and replacement of the common elements, as required by Section 105 of the Act. Such fund shall be established in the minimum amount hereinafter set forth on or before the Transitional Control Date, and shall, to the extent possible, be maintained at a level which is equal to or greater than 10% of the then current annual budget of the Association on a noncumulative basis. The minimum reserve standard required by this Section may prove to be inadequate, and the Board shall carefully analyze the Project from time to time in order to determine if a greater amount should be set aside or if additional reserve funds shall be established for other purposes.

Section 6. Construction Liens. A construction lien arising as a result of work performed upon a Condominium Unit or limited common element shall attach only to the Unit upon which the work was performed, and a lien for work authorized by the Developer or principal contractor shall attach only to Condominium Units owned by the Developer at the time of recording the statement of account and lien. A construction lien for work authorized by the Association shall attach to each Unit only to the proportionate extent that the Co-owner of such Unit is required to contribute to the expenses of administration. No construction lien shall arise or attach to a Condominium Unit for work performed on the general common elements not contracted by the Association or the Developer.

Section 7. Managing Agent. The Board may employ for the Association a Management Company or Managing Agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties listed in Section 2 of this Article. The Developer, or any person or entity related thereto may serve as Managing Agent if so appointed.

Section 8. Officers. The Association By-Laws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of officers of the Association and may contain any other provisions pertinent to officers of the Association not inconsistent herewith. Officers may be compensated, but only upon the affirmative vote of more than sixty-seven (67%) percent of all Co-owners.

Section 9. Indemnification. All directors and officers of the Association shall be entitled to indemnification against costs and expenses incurred as a result of actions (other than wilful or

wanton misconduct or gross negligence) taken or failed to be taken on behalf of the Association upon 10 days notice to all Co-owners, in the manner and to the extent provided by the Association By-Laws. In the event that no judicial determination as to indemnification has been made, an opinion of independent counsel as to the propriety of indemnification shall be obtained if a majority of Co-owners vote to procure such an opinion.

ARTICLE V

ASSESSMENTS

Section 1. Administrative Expenses. The Association shall be assessed as the 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. All costs incurred by the Association in satisfaction of any liability arising within, caused by or connected with the common elements or the administration of the Project shall be expenses of administration, and all sums received as proceeds of, or pursuant to any policy of insurance securing the interests of the Co-owners against liabilities or losses arising within, caused by or connected with the common elements or the administration thereof shall be receipts of administration.

Section 2. Determination of Assessments. The Board shall from time to time, and at least annually, adopt a budget for the Condominium which shall include the estimated funds required to defray common expenses for which the Association has responsibility for the next ensuing year, including a reasonable allowance for contingencies and reserves, and shall allocate and assess such common charges against all Co-owners according to their respective common interests on a monthly basis. Absent Co-owner approval as herein provided, such assessment shall be increased only in accordance with the following:

(a) If the Board shall find the budget as originally adopted is insufficient to pay the costs of operation and maintenance of the common elements;

(b) To provide for the repair or replacement of existing common elements;

(c) To provide for the purchase of additions to the common elements in an amount not exceeding \$2,000 or \$50 per unit annually, whichever is less; or

(d) In the event of emergency or unforeseen development.

governmental authority. Provided, that if a Unit owned by the 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.

In no event shall the Developer be responsible for the payment of any assessment for or with respect to deferred maintenance, reserves, capital improvements or additions, whether general or special, except with respect to occupied units owned by him, nor for any assessment levied in whole or in part to purchase a unit from the Developer or to finance litigation or other claims against the Developer, any cost of investigation and preparing such litigation or claim or any similar related cost.

ARTICLE VI

TAXES, INSURANCE AND REPAIR

Section 1. Taxes. Subsequent to the year in which construction of the building containing a Unit is completed, all special assessments and property taxes shall be assessed against the individual Units and not against the total property of the Project or any part thereof, except for the year in which the Project, or any phase thereof, was established subsequent to the tax day. Taxes and special assessments which become a lien against the property of the Condominium in any such year shall be expenses of administration and shall be assessed against the Units in proportion to the percentage of value assigned to each Unit. Special assessments and property taxes in any year in which the property existed as an established Project on the tax day shall be assessed against the individual Units notwithstanding any subsequent vacation of the Project.

Assessments for subsequent real property improvements to a specific Unit shall be assessed to that Unit description only, and each Unit shall be treated as a separate, single unit of real property for purposes of property tax and special assessment, and shall not be combined with any other Unit or Units, and no assessment of any fraction of any Unit or combination of any Unit with other units or fractions thereof shall be made, nor shall any division or split of the assessment or taxes of a single Unit be made notwithstanding separate or common ownership thereof.

Section 2. Insurance. The Association shall be appointed as Attorney-in-Fact for each Co-owner to act in connection with insurance matters and shall be required to obtain and maintain, to the extent available and/or appropriate, casualty insurance with extended coverage, vandalism and malicious mischief endorsements, and liability insurance (including directors and officers liability coverage if deemed appropriate) and worker's compensation insurance pertinent to the ownership, use and maintenance of the common elements of the Project. All such insurance shall be purchased by

the Board of Directors for the benefit of the Association, the Co-owners, their mortgagees and the Developer, as their interests may appear. Such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

(a) Each Co-owner shall be responsible for obtaining insurance coverage at his own expense for the interior of his Unit, including wall coverings, floor coverings, sliders, windows and screens, and it shall be each Co-owner's responsibility to obtain insurance coverage for the personal property located within his Unit or elsewhere in the Condominium, for personal liability for occurrences within his Unit or upon limited common elements appurtenant to his Unit, and for alternative living expenses in the event of fire or other casualty causing temporary loss of the Unit. The Association and all Co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

(b) All common elements of the Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, excluding land, landscaping, blacktopping, foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall also include interior walls within any Unit and the pipes, wires, conduits and ducts contained therein and shall further include all appliances, fixtures, equipment and trim within a Unit which were furnished with the Unit as standard items in accordance with plans and specifications thereof on file with the Association (or such replacements thereof as do not exceed the costs of such standard items). Any improvements made by a Co-owner within his Unit shall be covered by insurance obtained by and at the expense of said Co-owner; provided that, if the Association elects to include owner improvements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-owner and collected as a part of the assessments against said Co-owner as provided herein.

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

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

(e) Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer and the Association for all damages, costs and judgments, including actual attorneys' fees, which any indemnified party may suffer as a result of defending claims arising out of an occurrence on or within such individual Co-owners Unit or appurtenant limited common elements. This provision shall not be construed to give an insurer any subrogation right or other right or claim against an individual Co-owner, the Developer or the Association.

(f) Except as otherwise set forth herein, all premiums upon insurance purchased by the Association pursuant to these By-Laws shall be expenses of administration.

Section 3. Reconstruction and Repair. 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 to substantially the same condition in which it existed prior to the fire or other disaster, with each Unit and the Common Elements having the same vertical and horizontal boundaries as prior thereto.

(a) If the property is not insured against the peril causing the loss or the proceeds of the policy or policies insuring the Project and payable by reason thereof are insufficient to reconstruct the same, provision for reconstruction may be made by the affirmative vote of not fewer than 75% of the Co-owners voting at a meeting called for such purpose. Any such meeting shall be held within 30 days following the final adjustment of insurance claims, if any, or within 90 days after such fire or other disaster, whichever first occurs. At any such meeting, the Board or its representative shall present to the Co-owners present an estimate of the cost of the reconstruction and the estimated amount of necessary special assessments against each Unit in order to pay therefor. If the property is reconstructed, any such insurance proceeds shall be applied thereto, and special assessments may be made against the Units in order to pay the balance of the cost thereof.

(b) If the property is not insured against the peril causing the loss or the proceeds of the policy or policies insuring the Project and payable by reason thereof are insufficient to reconstruct the same, and if provision for reconstruction is not made pursuant to subparagraph (a) above, then provision for withdrawal of any portion of the property from the provisions of the Act may be made by the affirmative vote of not fewer than 75% of the Co-owners voting at a meeting called for such purpose. Any such meeting shall be held within 30 days following the final adjustment of insurance claims, if any, or within 90 days after such fire or other disaster, whichever first occurs. Upon any such withdrawal of any Unit or portion thereof, the percentage of ownership in the common elements appurtenant thereto shall be reallocated among the remaining Units not so withdrawn on the basis of the relative percentages of ownership in the common elements appurtenant to each such remaining Unit. If only a portion of a Unit is withdrawn, the percentage of ownership in the common elements appurtenant to such Unit shall be reduced accordingly, upon the basis of the diminution in market value of such Unit, as determined by the Board.

Any insurance proceeds shall be allocated, on the basis of square footage withdrawn or such other equitable basis as the Board may determine, among the Units or portions thereof, and the portions of the common elements withdrawn. As compensation for such withdrawals: (i) any such insurance proceeds allocated to withdrawn Units or portions thereof shall be applied in payment to the Owners thereof in proportion to their relative percentages of ownership in the common elements appurtenant to such withdrawn Units, or portions thereof; (ii) any such insurance proceeds allocated to withdrawn portions of the limited common elements shall be applied in payment to the Unit Owners entitled to their use in proportion to their relative percentages of ownership in the common elements appurtenant to the Units served by such limited common elements; and (iii) any such insurance proceeds allocated to withdrawn portions of the general common elements shall be applied in payment to all Unit Owners in proportion to their relative percentages of ownership in the common elements. Upon withdrawal of any Unit or portion thereof, the Owner thereof shall be relieved of any further responsibility or liability for the payment of any assessments therefor, if the entire Unit is withdrawn, or for the payment of a portion of such assessments proportional to the diminution in square footage of such Unit, if only a portion of the Unit is withdrawn.

(c) If the property is not insured against the peril causing the loss or the proceeds of the policy or policies

insuring the Project and payable by reason thereof are insufficient to reconstruct the same, and if provision for neither reconstruction nor withdrawal is made pursuant to subparagraphs (a) or (b) above, then the provisions of the Act shall apply.

(d) Prompt written notice of any and all material damage or destruction to a Unit or any part of the common elements shall be given to the holder of a first mortgage lien on any Unit affected thereby.

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

(a) In the event of any taking of all or any portion of a Unit or any limited common element appurtenant thereto, the award for such taking shall be paid to the Co-owner of the Unit and the mortgagee thereof, as their interests may appear. If a Co-owner's entire Unit is taken by eminent domain, such Co-owner and his mortgagee shall, after acceptance of the condemnation award therefore, be divested of all interest in the Condominium Project.

(b) In the event of any taking of all or any portion of the general common elements, the condemnation proceeds relative to such taking shall be paid to the Co-owners and the mortgagees in proportion to their respective interests in the common elements and the affirmative vote of two-thirds or more of the Co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as 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 resurveyed and the Master Deed amended accordingly and, if any Unit shall have been taken, 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 an Co-owner.

(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 notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

(e) To the extent not inconsistent with the foregoing provisions Section 13 of the Act shall control upon any taking by eminent domain.

ARTICLE VII

USE AND OCCUPANCY RESTRICTIONS

Section 1. 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. No building intended for business use, and no apartment house, rooming house, day care facility, foster care residence or other commercial and/or multiple family dwelling of any kind shall be erected, placed or permitted on any Unit. Professional and business owners may use their residence as an ancillary facility to an office established elsewhere, so long as such use does not generate traffic by members of the general public.

Section 2. Common Areas. The common elements shall be used only by the Co-owners of Units in the Condominium and by their agents, tenants, family members, invitees and licensees for access, ingress to and egress from the respective Units and for other purposes incidental to use of the Units; provided, however, that any parking areas, storage facilities or other common elements designed for a specific use shall be used only for the purposes approved by the Board. The use, maintenance and operation of the common elements shall not be obstructed, damaged or unreasonably interfered with by any Co-owner, and shall be subject to any lease, concession or easement, presently in existence or entered into by the Board at some future time, affecting any part or all of said common elements.

Section 3. Specific Prohibitions. Without limiting the generality of the foregoing provisions, use of the Project and all common elements by any Co-owner shall be subject to the following restrictions:

(a) No more than six (6) persons shall permanently occupy or reside in any three-bedroom Unit, without the express prior written approval of the Association. In the event that a violation of this restriction by a family in occupancy of a Unit results from the birth or adoption of a child, or the marriage or re-marriage of a family member, this restriction shall be suspended as to such family for a period of one year to provide such family a reasonable time in which to cure such violation or otherwise dispose of the Unit.

(b) No portion of a Unit may be rented and no transient tenants may be accommodated therein; provided, that nothing herein shall prevent the rental or sublease of an entire Unit for residential purposes or of a limited common element appurtenant to such Unit in the manner set forth in Article IX hereof.

(c) No Co-owner shall make any alterations, additions or improvements to any general common element, nor make changes to the exterior appearance or structure of members of his Unit or limited common elements without the prior written approval of the Association. The Association shall not approve any alterations or structural modifications which would jeopardize or impair the soundness, safety or appearance of the Project. An Owner may make alterations, additions or improvements within his Unit without the prior written approval of the Board, but such Owner shall be responsible for any damage to other Units, the common elements, the property, or any part thereof, resulting from such alterations, additions or improvements.

(d) No nuisances shall be permitted on the Condominium property nor shall any use or practice be permitted which is a source of annoyance to its residents, or which interferes with the peaceful possession or proper use of the Project by its residents.

(e) No immoral, improper, offensive or unlawful use shall be made of the Condominium property or any part thereof, and nothing shall be done or kept in any Unit or on the Common Elements which will increase the rate of insurance for the Project without the prior written consent of the Board. No Co-owner shall permit anything to be done or kept in his Unit or on the Common Elements which will result in the cancellation of insurance on any Unit, or any part of the common elements, or which would be in violation of any law.

(f) No sign or other advertising devices (other than professionally made signs, or signs of substantially the same quality and/or appearance advertising a unit for sale which are not larger than four (4) square feet in size), shall be displayed which are visible from the exterior of any unit or upon the common elements without written permission from the Association or its Managing Agent.

(g) No Co-owner shall display, hang or store any clothing, sheets, blankets, laundry or other articles outside his Unit, or which may be visible from the outside of his Unit (other than draperies or curtains, blinds and/or shades of a customary nature and appearance), or paint or decorate or adorn the outside of his Unit, or

Any increase in assessments other than or in addition to the foregoing shall be considered as a special assessment requiring approval by a vote of 67% or more of the Co-owners.

Section 3. Levy of Assessments. All assessments levied against the Units to cover expenses of administration shall be apportioned among and paid by the Co-owners on an equal basis, in advance and without increase or decrease for the existence of any rights to the use of limited common elements appurtenant thereto.

The common expenses shall consist, among other things, of such amounts as the Board may deem proper for the operation and maintenance of the Condominium property under the powers and duties delegated to it hereunder, and may include, without limitation, amounts to be set aside for working capital of the Condominium, for a general operating reserve, for a reserve for replacement and for meeting any deficit in the common expense for any prior year; provided, that any reserves established by the Board prior to the initial meeting of members shall be subject to approval by such members at the initial meeting thereof. The Board shall advise each Co-owner in writing of the amount of common charges payable by him and shall furnish copies of each budget on which such common charges are based to all Co-owners.

Section 4. Collection of Assessments. Each Co-owner shall be obligated for the payment of all assessments levied with regard to his Unit during the time that he is the Owner thereof, and 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. In the event of default by any Co-owner in paying the assessed charges, the Board may declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. In addition, the Board may impose reasonable fines or charge interest at the legal rate on such assessment from the due date thereof. Unpaid assessments shall constitute a lien on the Unit prior to all other liens except tax liens in favor of any state or federal taxing authority and sums unpaid upon a first mortgage of record recorded prior to the recording of any notice of lien by the Association, and the Association may enforce the collection thereof by suit at law for a money judgment or by foreclosure of the liens securing payment in the manner provided by Section 108 of the Act. In an action for foreclosure, a receiver may be appointed and reasonable rental for the Unit may be collected from the Co-owner thereof or anyone claiming under him, and all expenses incurred in collection, including interest, costs and actual attorney's fees, and any advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default.

Upon the sale or conveyance of a Condominium Unit, all unpaid assessments against the Unit shall be paid out of the sale price by the purchaser in preference over any other assessment or charge

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except as otherwise provided by the Condominium Documents or by the Act. A purchaser or grantee shall be entitled to a written statement from the Association setting forth the amount of unpaid assessments against the Seller or Grantor and such purchaser or grantee shall not be liable for, nor shall the Unit conveyed or granted be subject to a lien for any unpaid assessments against the seller or grantor in excess of the amount set forth in such written statement. Unless the purchaser or grantee requests a written statement from the Association at least 5 days before sale as provided in the Act, the purchaser or grantee shall be liable for any unpaid assessments against the Unit together with interest, costs, and attorneys fees incurred in the collection thereof.

The Association may also enter upon the common elements, limited or general, to remove and abate any condition, or may discontinue the furnishing of any services to a Co-owner in default under any of the provisions of the Condominium Documents upon 7 days written notice to such Co-owner of its intent to do so. A Co-owner in default shall not be entitled to utilize any of the general common elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, that this provision shall not operate to deprive any Co-owner of ingress and egress to and from his Unit.

All payments on account of installments of assessments in default shall be applied in the following manner: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 5. Obligations of the Developer. Until such time as twenty-five (25%) per cent of the Units in Phase I of the Project have been sold, the Developer shall supplement the monthly assessments received from Owners as necessary to meet administrative costs on a current basis. Such payments shall be made on account of the units owned by the Developer, whether constructed or not, and shall be in lieu of all other assessment liabilities.

After the time at which twenty-five (25%) per cent of the Units have been sold, the Developer shall be assessed by the Association only for actual costs, if any, incurred by the Association which are directly attributable to the Units being constructed by the Developer, together with a reasonable share of costs of administration which indirectly benefit the Developer (other than costs attributable to the maintenance of dwellings), based upon the ratio of completed units owned by the Developer from time-to-time to the total number of completed units in the Project. For purposes of this paragraph, a "completed" unit shall mean a Unit which meets all requirements for "substantial completion" under Section 103b(4) of the Act and which is eligible for the issuance of a Certificate of Occupancy or its equivalent by the local

install any CB, short wave, satellite dish or other radio or television antenna, window air-conditioning unit, snap-in window dividers, awning or other equipment, fixtures or items of any kind, without the prior written permission of the Board or the written permission of the Managing Agent. The foregoing restrictions shall not be construed to prohibit a Co-owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on a patio, deck or stoop which is a limited common element appurtenant to his Unit; provided, that no furniture or other personal property shall be stored on any open patio, deck or stoop which is visible from the common elements of the Project during the winter season.

(h) No Co-owner shall use, or permit the use by any occupant, agent, tenant, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, fireworks or other dangerous weapons, projectiles or devices anywhere on or about the condominium premises.

(i) No animal, including household pets, shall be kept without the prior written consent of the Association which consent, if given, shall be revocable at any time by the Board of Directors thereof. No exotic, savage or dangerous animal shall be kept on the Condominium Premises and no animal may be kept or bred for commercial purposes. Common household pets permitted by the Association shall be kept only in compliance with the rules and regulations promulgated by the Board of Directors from time to time, and must at all times be kept under such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No animal shall be permitted to run loose upon the common elements, limited or general, and the owner of each pet shall be responsible for cleaning up after it.

The Association may charge any Co-owner maintaining animals a reasonable additional assessment to be collected in the manner provided in these bylaws if the Association determines such assessment to be necessary to defray the maintenance costs to the Association of accommodating animals within the Condominium. The Association may also, without liability to the owner thereof, remove or cause any animal to be removed from the Condominium which it determines to be in violation of the restrictions imposed by this section or which otherwise proves to be an annoyance to other residents. Any person who causes or permits any animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property.

(j) No mobile home, van, trailer, tent, shack, garage, accessory building, outbuilding or other structure of a temporary character shall be erected, occupied or used at any time without the prior written consent of the Association. No recreational vehicles, boats or trailers shall be parked or stored in any garage if such storage would prevent full closure of the door thereto or elsewhere on the Condominium property except in areas designated for such storage by the Association, and no snowmobile, all-terrain vehicle or other motorized recreational vehicle shall be operated on the Condominium property. No maintenance or repair shall be performed on any boat or vehicle except within a garage or Unit where totally isolated from public view.

(k) No more than one (1) automobile or other vehicle customarily used for transportation purposes shall be kept outside a closed garage on the Condominium property by those persons residing in any Unit; provided, that no automobiles or other vehicles which are not in operating condition shall be permitted at any time. No commercial vehicles or trucks shall be parked in or about the Condominium except for the making of deliveries or pickups in the normal course of business.

(l) The common elements shall not be used for the storage of supplies or personal property (except in limited common element garages or for short periods of time as may be reasonably necessary to permit periodic collection of trash). No vehicles shall be parked on or along the private drive(s), and Owners and residents shall not use or obstruct any guest parking areas abutting such drives without the prior consent of the Association. In general, no activity shall be carried on nor condition maintained by any Co-owner either in his Unit or upon the Common Elements which despoil the appearance of the Condominium.

(m) Absent an election to arbitrate pursuant to Article X of these Bylaws, a dispute or question as to whether a violation of an specific regulation or restriction contained in this Article has occurred shall be submitted to the Board of Directors of the Association which shall conduct a hearing and render a decision thereon in writing, which decision shall be binding upon all Owners and other parties having an interest in the Condominium Project.

Section 4. Rules of Conduct. Reasonable rules and regulations concerning the use of Condominium Units and Common Elements, limited and general, may be promulgated and amended by the Board. Copies of such rules and regulations shall be furnished by the Board to each Co-owner at least 10 days prior to their effective

date, and may be revoked any time by the affirmative vote of more than 66% of all Co-owners in number.

Section 5. Remedies on Breach. A default or breach of this Article by a Co-owner shall entitle the Association to the following relief:

(a) Failure to comply with any restriction on use and occupancy contained herein or of any other term or provision of the Condominium Documents shall be grounds for relief, which may include the levy of fines, imposition of liens, action to recover sums due for damages, injunctive relief, foreclosure of lien or any other remedy which in the sole discretion of the Board of Directors is appropriate to the nature of the breach as may be set forth in the Condominium Documents including, without limitation, any or all of the remedies available for the collection of unpaid assessments under the provisions of Article V. Section 4 hereof. All such remedies shall be deemed to be cumulative and shall not constitute an election of remedies.

(b) In a proceeding arising because of an alleged default by a Co-owner, the Association, if successful, may recover the cost of the proceeding and such actual attorneys fees as may be determined by the court.

(c) The failure of the Association to enforce any right, provision, covenant or condition which is granted by the Condominium Documents shall not constitute a waiver of the right of the Association to enforce such right, provision, covenant or condition in the future.

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

Section 6. Use by Developer. During the period of sale by the Developer of any Units, the Developer and his agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from any part of the Project as may be reasonably required for the purpose of said sale of Units. Until all Units in the entire Project have been sold by the Developer, and until each Unit sold by it is occupied by the purchasers thereof, the Developer shall have the right to maintain a sales office and/or model dwellings, a business office, a construction office and such trucks and other construction equipment, storage areas and customary signs in connection therewith as may be reasonable to enable development and sale of the entire Project. The Developer shall restore any areas so utilized to habitable status upon termination of use.

ARTICLE VIII

MORTGAGES

Section 1. Mortgage of Condominium Units. Any Co-owner who mortgages a Condominium Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Units." At the written request of a mortgagee of any such Unit, the mortgagee shall be entitled to: (a) inspect the books and records relating to the Project during normal business hours, upon reasonable notice; (b) receive a copy of the annual financial statement of the Association which is prepared for the Association and distributed to the Owners; and (c) receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings. Failure, however, of the Association to provide any of the foregoing to a mortgagee who has so requested the same shall not affect the validity of any action or decision which is related thereto.

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

Section 3. Rights of Mortgagee. Notwithstanding any other provision of the Condominium Documents, except as otherwise required by mandatory law or regulation, with respect to any first mortgage of record of a Condominium Unit:

(a) The holder of the mortgage is entitled, upon written request, to notification from the Association of any default by the mortgagor of such Condominium Unit in the performance of such mortgagor's obligations under the Condominium Documents which is not cured within thirty (30) days.

(b) The holder of any first mortgage which comes into possession of a Condominium Unit pursuant to the remedies provided in the mortgage or deed (or assignment) in lieu of foreclosure, shall be exempt from any option, "right of first refusal" or other restriction on the sale or rental of the mortgaged Unit, including but not limited to, restrictions on the posting of signs pertaining to the sale or rental of the Unit.

(c) The holder of any first mortgage which comes into possession of a Condominium Unit pursuant to the remedies provided in the mortgage, or by deed (or assignment) in lieu of foreclosure, 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 thereof (except for claims for a pro rata share of such assessments or charges resulting from a pro rata re-allocation of such assessments charged to all Units including the mortgaged unit).

Section 4. Additional Notification. When notice is to be given to a Mortgagee, the Board of Directors shall also give such notice to the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity participating in purchasing or guarantying mortgages of Units in the Condominium if the Board of Directors has notice of such participation.

ARTICLE IX

LEASES

Section 1. Notice of Lease. A Co-owner, including the Developer, desiring to rent or lease a Condominium Unit for a period of more than thirty (30) consecutive days, shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a prospective tenant and, at the same time, shall supply the Association with a copy of the exact lease form for its review for compliance with the Condominium Documents. No Unit shall be rented or leased for a period of less than six (6) months without the prior written consent of the Association. A Developer proposing to rent condominium Units before the Transitional Control Date, shall notify either the Advisory Committee or each Co-owner in writing.

Section 2. Terms of Lease. Tenants or non Co-owner occupants shall comply with all the conditions of the Condominium Documents of the Project, and all lease and rental agreements shall so state.

Section 3. Remedies. If the Association determines that any tenant or non Co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association may take the following action:

(a) The Association shall notify the Co-owner by certified mail, addressed to him at his last known residence address, advising of the alleged violation by the tenant.

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

(c) If, after 15 days the Association believes that the alleged breach has not been cured or may be repeated,

it may institute an action for eviction against the tenant or non Co-owner occupant and a simultaneous action for money damages (in the same or in a separate action) against the 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 to the general Common Elements caused by the Co-owner or tenant in connection with the Condominium Unit or Condominium Project.

Section 4. Assessments. 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 Unit under a lease or rental agreement and the tenant, after receiving such notice, shall deduct from rental payments due the Co-owner the full arrearage and future assessments as they fall due and shall pay them to the Association. Such deductions shall not be a breach of the rental agreement or lease by the tenant.

ARTICLE X

TRANSFER OF UNITS

Section 1. Unrestricted Transfers. An individual Co-owner may, without restriction hereunder, sell, give, devise or otherwise transfer his Unit, or any interest therein.

Section 2. Notice to Association. Whenever a Co-owner shall sell, give, devise or otherwise transfer his Unit, or any interest therein, said Co-owner shall give notice to the Association within five (5) days after consummating such transfer. Such notice shall be accompanied by a copy of the sales agreement, deed or other documents effecting the transfer.

ARTICLE XI

ARBITRATION

Section 1. Submission to Arbitration. Any dispute, claim or grievance arising out of or relating to the interpretation or application of the Master Deed, By-Laws or other Condominium Documents, or to any disputes, claims or grievances arising among or between the Co-owners or between such owners and the Association may, upon the election and written consent of the parties to any such dispute, claim or grievance, and written notice to the Association, be submitted to arbitration by the Arbitration Association and the parties thereto shall accept the Arbitrator's award as final and binding. All arbitration hereunder shall proceed in accordance with Sections 5001-5065 of Act 236 of the Public Acts of 1961, as amended, which may be supplemented by reasonable rules of the Arbitration Association.

Section 2. Disputes Involving the Developer. A contract to settle by arbitration may also be executed by the Developer and any claimant with respect to any claim against the Developer that might be the subject of a civil action, provided that:

(a) At the exclusive option of a Purchaser, Co-owner or person occupying a restricted Unit in the Project, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim involves an amount less than \$2,500.00 and arises out of or relates to a purchase agreement, Condominium Unit or the Project.

(b) At the exclusive option of the Association of Co-owners, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim arises out of or relates to the Common Elements of the Project, if the amount of the claim is \$10,000.00 or less.

Section 3. Preservation of Rights. Election by any Co-owner or by the Association to submit any such dispute, claim or grievance to arbitration shall preclude such party from litigating such dispute, claim or grievance in the courts. Provided, however, that except as otherwise set forth in this Article, no interested party shall be precluded from petitioning the Courts to resolve any dispute, claim or grievance in the absence of an election to arbitrate.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 1. Severability. In the event that any of the terms, provisions, or covenants of these By-Laws or any Condominium Document are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair 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, and in such event the document shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

Section 2. Notices. Notices provided for in the Act, Master Deed or By-Laws shall be in writing, and shall be addressed to the Association at 4175 Bud Drive, Comstock Park, Michigan 49321, or to any Co-owner at the address set forth in the deed of conveyance, or at such other address as may hereinafter be provided.

The Association may designate a different address for notices to it by giving written notice of such change of address to all Co-owners. Any Co-owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States mail with postage prepaid, or when delivered in person.

Section 3. Response by Association. In all cases in which action by, consent of or response from the Association is requested or required, the Association shall be given thirty (30) days to respond unless the matter is of an emergency nature. The declaration of an emergency shall be within the reasonable discretion of the Board of Directors of the Association.

Section 4. Amendment. These By-Laws may be amended, altered, changed, added to or repealed only in the manner set forth in Article VIII of the Master Deed of Roosevelt Ridge Condominium.

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