PINE CREEK BLUFFS CONDOMINIUM
BYLAWS

EXHIBIT "A" TO THE MASTER DEED

ARTICLE I
ASSOCIATION OF CO-OWNERS

Pine Creek Bluffs Condominium, a residential Condominium located in the Township of Hamburg, County of Livingston, State of Michigan, shall be administered by an Association of Co-owners which shall be a nonprofit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, and duly adopted rules and regulations of the Association, and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner, including the Developer, shall be a member of the Association and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit in the Condominium. A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve or other asset of the Association. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Condominium Documents for the Condominium available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units. All Co-owners and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

ARTICLE II
ASSESSMENTS

All expenses arising from the management, administration and operation of the Association in pursuance of its authority and responsibilities as set forth in the Condominium Documents and the Act shall be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

Section 1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute expenditures affecting the administration of the Condominium, and all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute receipts affecting the administration of the Condominium within the meaning of Section 54(4) of the Act.

Section 2. Determination of Assessments. Assessments shall be determined in accordance with the following provisions:

(a) Budget. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Co-owner's obligation to pay the allocable share of the common expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Co-owner shall continue to pay each periodic installment at the periodic rate established for the previous fiscal year until notified of any change in the

periodic rate, which change in the monthly rate shall not affect the amount of any monthly installment due less than ten (10) days after such new annual or adjusted budget is adopted. An adequate reserve fund for maintenance, repair and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular periodic payments as set forth in Section 3 of this Article rather than by additional or special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a non-cumulative basis. Since the minimum standard required by this Section may prove to be inadequate for this particular Condominium, the Association of Co-owners should carefully analyze the Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. The funds contained in such reserve fund shall be used for major repairs and replacements of Common Elements. The Board of Directors may establish such other reserve funds as it may deem appropriate from time to time. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the delivery of a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation, management, maintenance and capital repair of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding Twenty Five Thousand Dollars ($25,000.00), in the aggregate, annually, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional or special assessment or assessments without Co-owner approval as it shall deem to be necessary. The Board of Directors shall also have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 5 hereof. The discretionary authority of the Board of Directors to levy general, additional or special assessments pursuant to this sub-section shall rest solely with the Board for the benefit of the Association and its members, and shall not be enforceable by any creditors of the Association or of its members.

(b) Special Assessments. Special assessments, other than those referenced in sub-section (a) of this Section 2, subject to Article VII of these Bylaws, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of an aggregate cost exceeding $25,000.00 per year; (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 of this Article; or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this sub-section 2(b) (but not those assessments referred to in sub-section 2(a) above which may be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty percent (60%) of all Co-owners. The authority to levy assessments pursuant to this sub-section is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof.

Section 3. Apportionment of Assessments; Default in Payment. Unless otherwise provided herein, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Any unusual expenses of administration, as may be determined in the sole discretion of the Board of Directors, which benefit less than all of the Condominium Units may be specially assessed against the Condominium Unit or Condominium Units so benefited and may be allocated to the benefited Condominium Unit or Units in the proportion which the percentage of value of the benefited Condominium Unit bears to the total percentages of value of all Condominium Units so specially benefited. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by the Co-owners in periodic installments, commencing with acceptance of a Deed to, or a land contract purchaser's interest in, a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. A late charge in the amount of $15.00 per month, or such other amount as may be determined by the Board of Directors, effective upon fifteen (15) days notice to the members of the Association, shall be assessed automatically by the Association upon any assessment in default until paid in full. Such late charge shall not be deemed to be a penalty or interest upon the funds due to the Association but is intended to constitute a reasonable estimate of the administrative costs and other damages incurred by the Association in connection with the late payment of assessments. Assessments in default shall bear interest at the rate of seven (7%) percent per annum or such higher rate as may be allowed

by law until paid in full. Payments on account of installments of assessments in default shall be applied first, to any late charges on such installments; second, to costs of collection and enforcement of payment, including reasonable attorney's fees as the Association shall determine in its sole discretion and finally to installments in default in order of their due dates, earliest to latest.

Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to his Unit that may be levied while such Co-owner is the owner thereof. In addition to a Co-owner who is also a land contract seller, the land contract purchaser shall be personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to the subject Condominium Unit which are levied up to and including the date upon which the land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit.

Section 4. Waiver of Use or Abandonment of Unit; Uncompleted Repair Work. 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, by the abandonment of his Unit, or because of uncompleted repair work or the failure of the Association to provide services and/or management to the Condominium or the Co-owner.

Section 5. Enforcement. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments, or both, in accordance with the Act. Pursuant to Section 139 of the Act, no Co-owner may assert in answer or set-off to a complaint brought by the Association for nonpayment of assessments the fact that the Association or its agents have not provided the services or management to the Co-owner.

Each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. The Association, acting on behalf of all Co-owners, may bid in at the foreclosure sale, and acquire, hold, lease, mortgage or convey the Condominium Unit. Each Co-owner of a Unit acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this Section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

By accepting delivery of a Deed to his Unit, each Co-owner agrees, for himself, his successors and assigns, that the statutory lien which secures assessments also shall constitute a consensual agreement to encumber real property pursuant to MCL Section 565.25(3)(c). Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address of a written notice that one or more installments of the annual assessment and/or a portion or all of a special or additional assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written Affidavit of an authorized representative of the Association that sets forth (i) the Affiant's capacity to make the Affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such Affidavit shall be recorded in the office of the Register of Deeds in the County in which the Condominium is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by

advertisement, the Association shall so notify the Co-owner and shall inform the Co-owner that he may request a judicial hearing by bringing suit against the Association.

The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, and/or in the event of default by any Co-owner in the payment of any installment and/or portion of any additional or special assessment levied against his Unit, or any other obligation of a Co-owner which, according to these Bylaws, may be assessed and collected from the responsible Co-owner in the manner provided in Article II hereof, the Association shall have the right to declare all unpaid installments of the annual assessment for the applicable fiscal year (and for any future fiscal year in which said delinquency continues) and/or all unpaid portions or installments of the additional or special assessment, if applicable, immediately due and payable. The Association also may discontinue the furnishing of any utility or other services to a Co-owner in default upon seven (7) days written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements, shall not be entitled to vote at any meeting of the Association or sign any petition for any purpose prescribed by the Condominium Documents or by law, and shall not be entitled to run for election or serve as a director or be appointed or serve as an officer of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him as provided by the Act.

Section 6. <u>Liability of Mortgagee</u>. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Condominium which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale in regard to said first mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit and except for assessments that have priority over the first mortgage under Section 108 of the Act)

Section 7. <u>Responsibility of Developer or Builder For Assessments and Expenses</u>. ~~During the Development, Construction and Sales Period neither the Developer nor any Builder, although a member of the Association, shall be responsible at any time for: (a) payment of the Association assessments, except with respect to completed and occupied Units that it owns, nor (b) payment of any Association expenses whatsoever with respect to Units which are not completed Units, notwithstanding the fact that any Unit which is not a completed Unit may have been included in the Master Deed.~~ A "completed Unit" is one upon which a dwelling has been constructed for which a Certificate of Occupancy has been issued by the Township. Certificates of Occupancy may be obtained by the Developer or Builder at such times prior to actual occupancy as the Developer or Builder, in its discretion, may determine. An "occupied Unit" is one upon which a dwelling has been constructed which is occupied as a residence.

The Developer or Builder, as applicable, independently shall insure, maintain, repair and replace all Units it owns for which it is not required to pay Association assessments, whether or not any such Unit is a completed Unit, and shall bear the cost thereof. ~~The Developer or Builder, as applicable, also shall pay: (i) a proportionate share of expenses which the Association actually incurs from time to time for the current operation, insurance, maintenance, repair and replacement of those Common Elements for which the Association is assigned the responsibility to operate, insure, maintain, repair and replace (not~~, however, of the proceeds of any insurance and of any amount which is recovered or due from a Co-owner); and (ii) a proportionate share of the usual and ordinary administrative expenses of the Association. The Developer's or Builder's, as applicable, proportionate share of such expenses shall be determined based upon the ratio of "completed Units" it owns at the time the expense is incurred (but excluding any "completed and occupied Units" for which it is responsible to pay Association assessments) to the total number of "completed Units" (including "completed and occupied Units") then included in the Condominium.

Any expense incurred by the Association for any other purpose, in whole or in divisible part, is hereby determined to be in respect of a common expense which benefits the "completed and occupied Units", only,

and, without its written consent, neither the Developer nor any Builder shall be responsible therefor in respect of any Unit it owns which is not a "completed and occupied Unit". For example, and without limiting the generality of the foregoing statement, in no event shall the Developer or any Builder be responsible to pay any amount in respect of any Unit it owns which is not a "completed and occupied Unit" which, in whole or in indivisible part, is to finance deferred maintenance, reserves for replacement, capital improvements, the purchase of any Unit from the Developer, the cost of any litigation or claim against the Developer or any Builder, their respective directors, officers, agents, principals, assigns, affiliates and/or the first Board of Directors of the Association or any directors of the Association appointed by the Developer or any cost of investigating and/or preparing any such litigation or claim, or for any other special purpose.

In addition to amounts which the Developer or any Builder is obligated to pay under the Act and this Section, the Developer, or any successor developer, from time to time during the Development, Construction and Sales Period may (but shall have no obligation to) make loans and advances to the Association to enable the Association to fund the payment of its current expenses, insofar as they are in excess of its current revenues because all Units in the Condominium are not yet "completed and occupied Units". In the event that the Developer, or any successor developer, does so, it may earn and receive a reasonable rate of interest upon the moneys loaned and advanced (which rate of interest shall not exceed a market rate of interest). Promptly after the Transitional Control Date, the Developer, or any such successor developer, as applicable, shall furnish to the Board of Directors of the Association an accounting for the moneys so loaned and advanced to the Association, the manner of their use and all amounts which the Association repaid prior to the Transitional Control Date for principal or interest in respect of any such loan.

This Section 7 shall not be construed or applied in such manner as may violate the Act or the implementing administrative rules of the State of Michigan and, in the event that an arbitrator or a court of competent jurisdiction, as applicable, finally determines that the Act or such administrative rules required that the Developer or any Builder pay a greater amount for assessments or expenses in respect of Units which the Developer or Builder, as applicable, owned, the Developer or Builder, as applicable, shall be deemed to have agreed to pay, and shall thereupon pay, to the Association that minimal amount which is necessary in order to comply with the Act and such administrative rules. For example, and without limiting the generality of the foregoing statement, the Developer may be required to fund any deficit or shortage which existed as of the Transitional Control Date in the Association's reserve fund for major repairs and replacements, but only to the extent that the deficit or shortage resulted from the Developer's limited responsibility for assessments and expenses, as provided in this Section.

Section 8. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority, including, but not limited to, any assessments levied pursuant to the 433 Agreement, shall be assessed in accordance with Section 131 of the Act.

Section 9. Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 10. Construction Lien. A construction lien otherwise arising under the Construction Lien Act, No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act, as amended.

Section 11. Statement as to Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any Condominium Unit may request a statement of the Association as to the outstanding amount of any unpaid Association assessments, interest, late charges, fines, costs, and attorney fees thereon, whether annual, additional or special, and related collection costs. Upon written request to the Association, accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire the Unit, the Association shall provide a written statement of such unpaid assessments, interest, late charges, fines, costs, attorney fees and related collection or other costs as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments together with interest, late charges, fines, costs, and attorney fees incurred in the collection thereof, and the lien securing

same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments, interest, collection and late charges, advances made by the Association for taxes or other liens to protect its liens, fines, costs, and attorney fees incurred in the collection thereof constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record having priority. The Association may charge such reasonable amounts for preparation of such statement as the Association, in its discretion, determines.

Section 12. Association Remedies Not Applicable to Default by Developer or Builder. The liability of the Developer or any Builder to the Association for assessments, expenses and/or other charges due in respect of "completed" and "completed and occupied Units", as described in Section 7 above, shall not include late charges upon delinquent assessments, as described in Section 3 of this Article II, and shall not be enforceable by the Association through the exercise of any remedy generally afforded the Association for the collection of assessments, expenses and other charges which are in default, as described in Section 5 of this Article II, notwithstanding that the Developer or Builder may then be a "Co-owner" within the meaning assigned that term in the Master Deed.

ARTICLE III
ARBITRATION

Section 1. Scope and Election. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners, or between a Co-owner or Co-owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances, and written notice to the Association, if applicable, be submitted to arbitration and the parties thereto shall accept the arbitrators' decision as final and binding; provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration. Any agreement to arbitrate pursuant to the provisions of this Article III, Section 1 shall include an agreement between the parties that the judgment of any Circuit Court of the State of Michigan may be rendered upon any award rendered pursuant to such arbitration.

Section 2. Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 1 above, neither a Co-owner nor the Association shall be precluded from petitioning the Courts to resolve any such disputes, claims or grievances.

Section 3. Election of Remedies. Election by the parties to any such disputes, claims or grievances to submit such disputes, claims or grievances to arbitration shall preclude such parties from litigating such disputes, claims or grievances in the Courts.

Section 4. Co-owner Approval for Civil Actions Against Developer, Builder and/or Association First Board of Directors. Any civil action proposed by the Board of Directors on behalf of the Association to be initiated against the Developer and/or any Builder and/or their respective agents or assigns, and/or against the First Board of Directors of the Association or other Developer-appointed Directors, for any reason, shall be subject to approval by a vote of sixty-six and two-thirds percent (66 ⅔%) of all Co-owners, and notice of such proposed action must be given in writing to all Co-owners in accordance with Article VII herein below. Such vote may only be taken at a meeting of the Co-owners and no proxies or absentee ballots may be used thereat, notwithstanding the provisions of Article VII herein below.

ARTICLE IV
INSURANCE

Section 1. Extent of Coverage. The Association shall, to the extent appropriate given the nature of the Common Elements, carry a standard "all risk" insurance policy, which includes, among other things, fire and extended coverage, vandalism, malicious mischief and liability insurance, and worker's compensation

insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements. Such insurance, but not title insurance, shall be carried and administered in accordance with the following provisions:

(a) Responsibilities of Association and of Co-owners. All such insurance shall be purchased by the Association for the benefit of the Association, the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners. Each Co-owner shall obtain a standard "all- risk" insurance policy, which includes, among other things, fire and extended coverage, vandalism and malicious mischief insurance with respect to his dwelling, interior and exterior, and all other structures and improvements constructed within the perimeter of his Unit. All such insurance shall be carried by each Co-owner in an amount equal to the current insurable replacement value, excluding foundation and excavation costs. Each Co-owner shall also be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of his Unit, including his dwelling. Each Co-owner shall file a copy of such insurance policy, or policies, including all endorsements thereon, or, in the Association's discretion, certificates of insurance or other satisfactory evidence of insurance, with the Association in order that the Association may be assured that such insurance coverage is in effect. In the event of the failure of a Co-owner to obtain such insurance, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefor shall constitute a lien against the Co-owner's Unit which may be collected in accordance with Article II above. Notwithstanding any insurance coverage that may be maintained by the Association, it shall be each Co-owner's responsibility to determine by personal investigation or from his own insurance advisor the nature and extent of insurance coverage adequate to recompense him for his foreseeable losses and thereafter to obtain a standard "all risk" insurance policy, which includes, among other things, fire and extended coverage, vandalism and malicious mischief insurance with respect to his personal property located within or outside the perimeter of his Unit, and also for alternative living expense in the event of fire. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this sub-section to be the responsibility of the Co-owner to obtain, nor shall the Association have any liability to any person for failure to do so. The Association, as to all policies which it obtains, and all Co-owners, as to all policies which they obtain, 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) Insurance of Common Elements. All Common Elements which are required by this Section 1 to be insured by the Association shall be insured against fire and other perils covered by a standard extended coverage endorsement in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall be effected upon an agreed-amount basis for the entire Condominium with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total Project destruction if the insurance proceeds failed, for some reason, to be equal to the total cost of replacement). All information in the Association's records regarding insurance coverage shall be made available to all Co-owners upon request and reasonable notice during normal business hours so that Co-owners shall be enabled to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly constituted meeting, to change the nature and extent of any applicable coverages, if so determined. Upon such annual re-evaluation and effectuation of coverage, the Association shall notify all Co-owners of the nature and extent of all changes in coverages.

(c) Premium Expenses. All premiums on insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Co-owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring the repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other

than repair, replacement or reconstruction of the Condominium unless at least sixty-six and two-thirds percent (66-2/3%) of the institutional holders of first mortgages on Units have given their prior written approval if one or more Units are tenantable, or if more than fifty percent (50%) of the institutional holders of first mortgages have given their written approval if no Unit is tenantable.

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Condominium, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workers' compensation insurance, if applicable, pertinent to the Condominium, his Unit and the Common Elements appurtenant thereto with such insurer as may, from time to time, provide such insurance for the Condominium. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owners and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE V
RECONSTRUCTION OR REPAIR

Section 1. Responsibility for Reconstruction or Repair. In the event any part of the Condominium property shall be damaged, the determination of whether or not it shall be reconstructed or repaired and the responsibility therefor shall be made in the following manner:

(a) Partial Damage. In the event the damaged property is a Common Element or the dwelling constructed within the perimeter of a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is habitable, unless it is determined by at least eighty percent (80%) of the Co-owners that the Condominium shall be terminated and at least sixty-six and two-thirds percent (66-2/3%) of those institutional holders of a first mortgage lien on any Unit in the Condominium have given their prior written approval for such termination.

(b) Total Destruction. In the event the Condominium is so damaged that no Unit is habitable, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless eighty percent (80%) or more of all of the Co-owners agree to reconstruction by vote or in writing within ninety (90) days after the destruction and such termination also shall receive the approval of more than fifty percent (50%) of those holders of first mortgages on Units who have requested the Association to notify them of any proposed action that requires the consent of a specified percentage of first mortgagees.

Section 2. Repair in Accordance With Master Deed, Etc. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the Condominium to a condition as comparable as possible to the condition existing prior to damage unless the Co-owners shall unanimously decide otherwise.

Section 3. Co-owner and Association Responsibilities. Each Co-owner shall be solely responsible for the decoration, maintenance, reconstruction and repair of his Unit, including, but not limited to, the grounds, landscaping, dwelling (interior and exterior) and any other approved structures and improvements thereon, other than General Common Elements. Co-owners shall be responsible for the removal of snow from drives and walks located on their Units as soon as possible after snowfall, subject to any additional snow removal regulations as may be established from time to time by the Board of Directors pursuant to Article VI, Section 9, of these Bylaws. In the event that a Co-owner fails or neglects to maintain the exterior components of his dwelling or any other structure or improvement located on his Unit in an aesthetic and/or harmonious manner as may from time to time be established by the Association in duly adopted regulations promulgated by the Board of Directors pursuant to its authority set forth in Article VI, Section 9 of these Bylaws, the Association shall be entitled to effect such maintenance to the dwelling, structure and/or improvement and to assess the

Co-owner the costs thereof and to collect such costs as part of the assessments under Article II of these Bylaws.

In the event that damage is to the grounds, landscaping, dwelling, structure or other improvement constructed within the perimeter of a Unit which it is the responsibility of a Co-owner to reconstruct, maintain, repair and replace, it shall be the responsibility of the Co-owner to reconstruct, maintain, repair or replace the damaged grounds, landscaping, dwelling, structure or other improvement in accordance with this Article and in compliance with the architectural control provisions of Article VI. If and to the extent that the grounds, landscaping, dwelling, structure or other improvement to the Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto and, if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any dwelling or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 4. Association Responsibility for Repair. Except as provided in Section 3 hereof, or as may be specifically otherwise provided in the Master Deed, the Association shall be responsible for the decoration, maintenance, repair and reconstruction of the Common Elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Co-owners, except as may otherwise be permitted in these Bylaws, for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair, which may be collected in accordance with Article II herein. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 5. Timely Reconstruction and Repair. If damage to Common Elements or a dwelling, structure or other improvement adversely affects the appearance of the Condominium, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay, and shall complete such replacement diligently and in any event within twelve (12) months after the date of the occurrence which caused damage to the property.

Section 6. Eminent Domain. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

(a) Taking of Entire Unit. In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the owner and his mortgagee, they shall be divested of all interest in the Condominium. In the event that any condemnation award shall become payable to any Co-owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Co-owner and his mortgagee, as their interests may appear.

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

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

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

Section 7. Mortgages Held By FHLMC; Other Institutional Holders. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefor by FHLMC, the Association shall give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements if the loss or taking exceeds $10,000.00 in amount or if damage to a Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds $1,000.00. The Association shall provide such other reasonable notice as may be required, from time to time, by other institutional holders of mortgages upon Units in the Condominium.

Section 8. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Co-owner, or any other party, priority over any rights of first mortgagees of Units pursuant to their mortgages in the case of a distribution to Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

ARTICLE VI
ARCHITECTURAL CONTROL; BUILDING AND USE RESTRICTIONS

Section 1. Residential Use. No Unit shall be used for other than residential purposes and the Common Elements shall only be used for purposes consistent with those set forth in this Section 1. No building of any kind shall be erected within a Unit except a private dwelling and structures ancillary thereto. Timesharing and/or interval ownership is prohibited. No dwelling shall be used for industrial, commercial or business office purposes; provided, however, that this shall not be deemed to ban a Co-owner from operating a home-based business which does not have any on-site employees other than Unit residents, does not produce odors, noises, or other effects noticeable outside of the Unit, and does not involve the manufacture of goods or sale of goods from inventory. The provisions of this Section shall not be construed to prohibit a Co-owner from maintaining a personal professional library, keeping personal, professional or business records or handling personal business or professional telephone calls in his or her dwelling.

Section 2. Leasing and Rental.

(a) Right to Lease. A Co-owner may lease his Unit for the same purposes set forth in Section 1 of this Article VI; provided that a written description of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b) below. No Co-owner shall lease less than an entire Unit and no tenant shall be permitted to occupy except under a written lease, the initial term of which is at least twelve (12) months, unless specifically approved in writing by the Association. Such written lease shall: (i) require the lessee to comply with the Condominium Documents and rules and regulations of the Association; (ii) provide that failure to comply with the Condominium Documents and rules and regulations constitutes a default under the lease, and (iii) provide that the Board of Directors has the power to terminate the lease or to institute an action to evict the tenant and for money damages after fifteen (15) days prior written notice to the Unit Co-owner, in the event of a default by the tenant in the performance of the lease. The Board of Directors may suggest or require a standard form lease for use by Unit Co-owners. Each Co-owner shall, promptly following the execution of any lease of his Unit, forward a conformed copy thereof to the Board of Directors. Under no circumstances shall transient tenants be accommodated. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. Tenants and nonCo-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases, rental agreements, and occupancy agreements shall so state. The Developer and, if authorized to do so by the Developer, any Builder may lease any number of Units during the Development, Construction and Sales Period for such term(s) as they, in their discretion, may elect. In addition, the holder of any mortgage which comes into possession of a Unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed in lieu of foreclosure, may lease any number of Units for such term(s) as they, in their discretion, may elect.

(b) Leasing Procedures. A Co-owner, including the Developer or a Builder, desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form or otherwise agreeing to grant possession of a Unit to a potential lessee of the Unit and, at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. Co-owners who do not live in the Unit they own must keep the Association informed of their current correct address and phone number(s). If no lease form is to be used, then the Co-owner or the Developer, as applicable, shall supply the Association with the name and address of the potential lessee, along with the rental amount and due dates under the proposed agreement. The Board of Directors may charge such reasonable administrative fees for reviewing, approving, and monitoring lease transactions in accordance with this Article VI, Section 2 as the Board, in its discretion, may establish. Any such administrative fees shall be assessed to and collected from the leasing Co-owner in the same manner as the collection of assessments under Article II hereof. This provision shall also apply to occupancy agreements.

(c) Violation of Condominium Documents by Tenants or NonCo-owner Occupants. If the Association determines that the tenant or nonCo-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

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

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

(3) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its own behalf, or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or nonCo-owner occupant and simultaneously for money damages against the Co-owner and tenant or nonCo-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this subsection may be by summary proceeding. The Association may hold both the tenant or nonCo-owner occupant and the Co-owner liable for any damages caused by the Co-owner or tenant or nonCo-owner occupant in connection with the Unit or the Condominium and for the Association's actual legal fees and costs incurred in connection with legal proceedings hereunder.

(d) Arrearage in Condominium 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 or nonCo-owner occupant occupying a Co-owner's Unit under a lease, rental or occupancy agreement and the tenant or nonCo-owner occupant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions do not constitute a breach of the rental agreement, lease or occupancy agreement by the tenant or nonCo-owner occupant. If the tenant, after being notified, fails or refuses to remit rent otherwise due the Co-owner to the Association, then the Association may do the following:

(1) 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.

(2) Initiate proceedings pursuant to subsection (c) (3) of this Section 2.

The form of lease used by any Co-owner shall explicitly contain the foregoing provisions of this subsection (d).

Section 3. Architectural Control and Dwelling Construction Regulations; Architectural Review Process. The Developer hereby establishes architectural control regulations, dwelling construction regulations and an architectural review process in order to ensure that Pine Creek Bluffs Condominium is developed in the highest quality manner consistent with the design goals for the community. The Developer intends and believes that architectural control will assure the proper and harmonious development of the Condominium in order to maximize its aesthetic beauty and cause it to blend with the surrounding area. The architectural control regulations, dwelling construction regulations and architectural review process are declared to be binding upon the Association, the Co-owners and all Builders of dwellings, structures and other improvements

within the Project. In this Section 3, the term "Developer" shall always be deemed to refer to River Place/Abbey Limited Partnership, a Michigan Limited Partnership, unless otherwise specified herein or in a written instrument which has been recorded in the Livingston County Records and which expressly assigns the Developer's architectural control rights described in this Section. All rights reserved to the Developer in this Section 3 shall be enforceable by the Developer, or by its successor or any such assignee, as applicable, until certificates of occupancy have been issued for one hundred percent (100%) of the Units which may be built in the Project, regardless of whether another party has acquired the status of successor developer pursuant to the Act. Thereafter, the Association shall have and may exercise all of the rights of the Developer described in this Section 3.

A. ARCHITECTURAL APPROVAL REQUIREMENTS.

1. DWELLINGS, STRUCTURES AND EXTERIOR UNIT IMPROVEMENTS.

(a) In General. No dwelling, structure or other exterior improvement, including, without limitation, lights, aerials or antennas (except those antennas referred to in sub-paragraph 1(b) of this Part A), awnings, doors, shutters, newspaper holders, mailboxes, hot tubs, jacuzzi, gazebos, porches, patios, decks, statuary, fences, walls, hedges, basketball hoops, playsets, swimming pools, docks and fire pits, shall be constructed or installed upon any Unit, and no exterior alteration, modification or attachment shall be made to any existing dwelling, structure or improvement; and no landscaping shall be installed within a Unit or elsewhere within the Condominium Project, unless the Co-owner of the Unit has first submitted to the Architectural Control Committee plans and specifications therefor, containing such detail as is required below, except to the extent that the Architectural Control Committee has waived or reduced any such requirement in writing, and the Architectural Control Committee has approved in writing the plans and specifications so submitted. The Architectural Control Committee shall have the right in its sole discretion to waive any architectural review requirement. As a condition precedent to approval by the Architectural Control Committee, any dwelling, structure or other improvement must first receive any necessary approval(s) from the local public authority, which approval shall be provided to the Architectural Control Committee. The Architectural Control Committee shall have the right to refuse to approve any such construction plans or specifications, or grading or landscaping plans, which are not suitable or desirable in its opinion for aesthetic or other reasons. In passing upon such plans and specifications, the Architectural Control Committee shall have the right to take into consideration the suitability of the proposed structure, improvement, modification or landscaping, the site upon which it is proposed to be constructed and the degree of harmony thereof with the Condominium as a whole. The Architectural Control Committee also, in its discretion, may require, as a condition to its approval of any plans and specifications, that the Co-owner agree to a special assessment against the Co-owner's Unit in the event that it determines that the proposed dwelling, structure or other improvement will cause the Association unusual expenses in carrying out its responsibilities under the Master Deed. The Developer, and any Builder which is an affiliate of the Developer, in its sole discretion, may construct any dwelling, structure or other improvement, or effect any landscaping, upon the Condominium Premises without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium Documents.

(b) Special Rules for Broadcast Antennas. The following three (3) types and sizes of antennas may be installed within the perimeter of the Unit, subject to the provisions of this Section and any written rules and regulations promulgated by the Board of Directors of the Association under Article VI, Section 9 of these Bylaws: (1) Direct broadcast satellite antennas ("Satellite Dishes") one meter or less in diameter; (2) Television broadcast antennas of any size; and (3) Multi-point distribution service antennas (sometimes called wireless cable or MDS antennas) one meter or less in diameter. Antenna installation on General Common Element areas is prohibited, unless established by the Association in its sole discretion as provided below. The rules and regulations promulgated by the Board of Directors governing installation, maintenance or use of antennas shall not impair reception of an acceptable quality signal, unreasonably prevent or delay installation, maintenance or use of an antenna, or unreasonably increase the cost of installing, maintaining or using an antenna. Such rules and regulations may provide for, among other things, placement preferences, screening and camouflaging or painting of antennas. Such rules and regulations may contain exceptions or provisions related to safety, provided that the safety rationale is clearly articulated therein. Antenna

masts, if any, may be no higher than necessary to receive acceptable quality signals, and may not extend more than twelve (12) feet above the roof line without pre-approval, due to safety concerns. A Co-owner desiring to install an antenna must notify the Association prior to installation by submitting a notice in the form prescribed by the Association. If the proposed installation complies with this sub-paragraph 1(b) and all rules and regulations regarding installation and placement of antennas, installation may begin immediately; if the installation will not comply, or is in any way not routine in accordance with this Section and the rules and regulations, then the Association and Co-owner shall meet promptly and within seven (7) days after receipt of the notice by the Association, if possible, to discuss the installation. The Association may prohibit Co-owners from installing the aforementioned satellite dishes and/or antennas if the Association provides the Co-owner(s) with access to a central antenna facility that does not impair the viewers' rights under Section 207 of the Federal Communication Commission ("FCC") rules. This Section is intended to comply with the rule governing antennas adopted by the FCC effective October 14, 1996, as amended by FCC Orders released September 25, 1998 and November 20, 1998, and is subject to review and revision to conform to any changes in the content of the FCC rules or the Telecommunications Act of 1996, and this Section may be modified through rules and regulations promulgated by the Board of Directors pursuant to Section 9 of this Article VI.

2. MODIFICATIONS TO COMMON ELEMENTS. No Co-owner shall make any changes in, nor perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon, any of the Common Elements, Limited or General, without the express written approval of the Architectural Control Committee (which approval shall be in recordable form). The Architectural Control Committee may only approve such modifications as do not impair the soundness, safety, utility or appearance of the Condominium Project. The Architectural Control Committee shall have the authority to determine the nature and extent of the plans and specifications it shall require be submitted in each instance, giving consideration, inter alia, to the location, nature and potential visual impact of the proposed modification.

3. RESPONSIBILITY FOR MAINTENANCE AND REPAIR OF APPROVED COMMON ELEMENT MODIFICATION OR IMPROVEMENT. If the proposed Common Element modification or improvement has been approved by the Architectural Control Committee in the manner required herein, the Co-owner shall be responsible for the maintenance and repair of such modification or improvement to the Common Elements. In the event that the Co-owner fails to maintain and/or repair said modification or improvement to the satisfaction of the Association, the Association may undertake to maintain and/or repair same and assess the Co-owner the costs thereof and collect same from the Co-owner in the same manner as provided for the collection of assessments in Article II hereof. The Co-owner shall indemnify and hold the Association harmless from and against any and all costs, damages, and liabilities incurred in regard to said modification and/or improvement and (except with respect to antennas referred to in Section 3, Part A, sub-paragraph 4(b) above) shall be obligated to execute a Modification Agreement, if requested by the Association, as a condition for approval of such modification and/or improvement. No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves, sump pump, fire suppression system, or any other element that affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access.

B. ARCHITECTURAL CONTROL COMMITTEE.

1. NATURE AND PURPOSE. The Developer hereby establishes an Architectural Control Committee, which, except as otherwise expressly provided herein, shall have exclusive jurisdiction over the rights of architectural and construction approval and enforcement set forth in this Article VI. The Architectural Control Committee shall have broad discretion to determine whether a proposed dwelling, structure or other improvement described in sub-Section A. of this Section 3 will enhance the aesthetic beauty and desirability of the Condominium, or otherwise further or be consistent with the purpose for any restriction. The Architectural Control Committee shall consist of at least one (1)

but no more than five (5) persons. Neither the Developer nor any member of the Architectural Control Committee shall be compensated from assessments collected from the members of the Association for the time expended in architectural control activities.

2. APPOINTMENT, REMOVAL AND JURISDICTION. The Developer shall have the exclusive right in its sole discretion to appoint and remove all members of the Architectural Control Committee until such time as certificates of occupancy have been issued for dwellings on one hundred percent (100%) of the Units in the Condominium. There shall be no surrender of this right prior to the issuance of certificates of occupancy of dwellings on one hundred percent (100%) of the Units in the Condominium, except by a written instrument in recordable form executed by the Developer and specifically assigning to the Association or a successor Developer the power to appoint and remove the members of the Architectural Control Committee. From and after the date of such assignment, or the date of the later expiration of the Developer's exclusive power of appointment and removal, the Architectural Control Committee shall be appointed by the Board of Directors of the Association, and the Developer shall have no further rights or responsibilities with respect to any matters of approval or enforcement set forth herein.

3. ARCHITECTURAL CONTROL FEE. In order to defray the actual and anticipated out-of-pocket expenses of the Architectural Control Committee in connection with architectural control activities, including the cost of review by an architect or engineer, if necessary, at the time of the closing upon the initial sale of each Unit in the Condominium, other than a sale by the Developer to a Builder, the purchasing Co-owner shall pay to the Developer, for the use and benefit of the Architectural Control Committee, the sum of Two Hundred Fifty Dollars ($250.00). The Developer may, in its sole discretion, by a signed writing waive or defer payment of the architectural control fee due with respect to any Unit. Funds received by the Developer for the use and benefit of the Architectural Control Committee need not be held in escrow, or segregated in any manner whatsoever, but records shall be maintained showing the receipt and expenditure of all such funds, and the Developer shall account as of the date of assignment for the balance remaining, if any, to any assignee (including the Association) of the Developer's rights under Paragraph 1 of this sub-section 3.B. Neither the Developer, its successor or assign, nor any member of the Architectural Control Committee shall be compensated from the funds so collected for the time so expended in architectural control activities.

4. ARCHITECTURAL CONTROL COMMITTEE DECISION.

(a) No approval by the Architectural Control Committee of any dwelling, structure, improvement or modification which violates any of the substantive restrictions set forth in this Section 3 shall constitute a waiver or estoppel to enforce such substantive restriction(s), except in cases where express written waivers have been granted by the Architectural Control Committee.

(b) The Architectural Control Committee may disapprove proposed locations, plans, specifications or construction scheduling based upon non-compliance with any of the restrictions set forth in this Section 3, or upon any other ground, including purely aesthetic considerations. The Architectural Control Committee shall take into account the preservation of trees and the natural setting in passing upon plans, specifications and the like. The Architectural Control Committee may disapprove any plan due to its reasonable dissatisfaction with the grading and drainage plan, the location of the structure on the Unit, the materials used, the color scheme, the finish, design, proportions, shape, height, style or appropriateness of the proposed improvement or alteration or because of any matter or thing which, in the judgment of the Architectural Control Committee, would render the proposed improvement or alteration inharmonious or out-of-keeping with the objective of the Developer or with improvements erected on other Units.

(c) In the event the Architectural Control Committee fails to approve or disapprove any plans, specifications and/or construction schedule within thirty (30) days after submission, then such approval will not be required, but all other limitations, conditions and restrictions set forth in the Condominium Documents shall nevertheless apply and remain in force with respect thereto.

(d) Architectural Control Committee approval shall be deemed given if the plans, specifications and construction schedule submitted for approval are marked or stamped as having been finally approved by any one (1) member of the Architectural Control Committee.

5. NO LIABILITY. In no event shall the Architectural Control Committee, the Developer, the Association or any successor Developer, nor any of their respective members, owners, partners, directors, officers or agents, have any liability whatsoever to anyone for the Architectural Control Committee's approval or disapproval, or failure to approve or disapprove, of plans, specifications and/or construction schedule for any dwelling, structure or other improvement described in sub-Section A. of this Section 3, whether such alleged liability is based on negligence, tort, express or implied contract, fiduciary duty or otherwise. In no event shall the Architectural Control Committee, the Developer, the Association or any successor Developer, nor any of their respective members, owners, partners, directors, officers or agents, have any liability to anyone for the Architectural Control Committee's approval of plans and specifications for any dwelling, structure or other improvement described in sub-section A. of this Section 3 which is not in conformity with the provisions of these Condominium Documents, or for disapproving plans and specifications for any dwelling, structure and/or other improvement described in sub-section A. of this Section 3 which may be in conformity with the provisions hereof. In no event shall any party have the right to contest judicially, or to impose liability on the Architectural Control Committee or its individual members, or upon the Developer, the Association or any successor Developer, or any of their respective members, owners, partners, directors, officers or agents, for any decision of the Architectural Control Committee (or alleged failure of the Architectural Control Committee to make a decision) relative to the approval or disapproval of a dwelling, structure or other improvement described in sub-section A. of this Section 3, or to any other aspect or matter which the Architectural Control Committee has the right to approve or waive under the Condominium Documents. The approval of the Architectural Control Committee of a dwelling, structure or other improvement described in sub-section A. of this Section 3 shall not be construed as a representation or warranty that the dwelling, structure or other improvement is in conformity with the ordinances or other requirements of the Township or any other governmental authority, or with any other law or statute. Any obligation or duty to ascertain any such conformities, or to advise the Co-owner or any other person of the same (even if known), is hereby disclaimed.

6. ENFORCEMENT. The Architectural Control Committee shall certify to the Board of Directors in writing any violation of the architectural control requirements of this Article as to which it has jurisdiction. The Board of Directors may, in its discretion, after giving notice of the violation to the Co-owner or Builder, as applicable, who is alleged by the Architectural Control Committee to be in violation of the architectural control requirement, and after providing opportunity to the Co-owner or Builder, as applicable, for a hearing before the Board with respect to such matter, exercise any of the remedies which are afforded the Association by these Bylaws or applicable law after a default in compliance with these Bylaws including, without limitation, any remedy which is described in Article XX below.

C. <u>SUBMISSION REQUIREMENTS FOR ARCHITECTURAL REVIEW OF DWELLINGS, STRUCTURES AND OTHER IMPROVEMENTS.</u>

1. PRELIMINARY SUBMISSION. Preliminary plans and specifications may first be submitted to the Architectural Control Committee for its review and informal comment.

2. FINAL APPROVAL SUBMISSION. Except insofar as they are inapplicable, or are in writing waived by the Architectural Control Committee, two (2) sets of all of the following plans, drawings and specifications, one of which shall be retained and permanently lodged with the Architectural Control Committee, must be submitted to obtain final review by the Architectural Control Committee of any dwelling, structure or other improvement:

(a) A topographic survey, sealed by a registered professional engineer or registered land surveyor, showing existing and proposed grades at: the curb top; property line; each corner and at fifty (50) foot intervals; the center of the Unit [at fifty (50) foot intervals]; fifty (50) feet off-site [at fifty (50) foot intervals]; brick ledge of adjacent homes; Unit lines; easement lines; existing utilities and structures (hydrant, manholes, catch basins, etc.); and shall show set-back lines, North arrow, scale,

benchmark (N.G.V. datum), the locations of all trees in excess of three (3") inches in diameter located between the front Unit line and the rear of the building zone, the proposed location of each building or structure and the proposed location of drives, parking areas and all areas of the Unit and adjacent properties which will be affected by the construction process;

(b) Complete plans and specifications sufficient to secure a building permit for a dwelling in the Township, including a dimensioned plot plan sealed by a registered architect and showing the Unit, the placement of all improvements with setback dimensions, the applicant's name, address and telephone number, the Unit number, proposed grades for the driveway, brick ledge of the proposed structure and drainage swales, utility services, driveway, drive approach material and drainage arrows;

(c) Front elevation, side elevations and rear elevation of the dwelling or structure, plus elevations of any walls, patios, gazebos, play structures, in-ground pools, hot tubs, jacuzzi, spas, decks, fences and any others similar accessory structure, all in sufficient detail to depict accurately all design features of each elevation;

(d) A perspective drawing, if deemed necessary by the Architectural Control Committee, in order to interpret adequately the exterior design;

(e) Specifications setting forth the type and quality of all materials and workmanship and including a detailed finish schedule for all exterior materials, products and finishes, with actual brick, paint, stain and shingle samples;

(f) A landscaping plan showing finished grading, and the size, type and location of plants, seeding and lighting, and including any patio or deck. The landscape design shall be compatible with the existing natural environment of the Condominium and the approved landscape design, if any, of all neighboring Units;

(g) A construction schedule;

(h) Any other data, drawings or material that the Architectural Control Committee requests in order to fulfill its function.

D. <u>CONTRACTOR REGULATIONS</u>. No Co-owner shall contract with any builder or contractor, except a Builder who has been approved by the Architectural Control Committee, for the construction of any dwelling, structure, improvement or related appurtenance, without the express written consent of the Architectural Control Committee. All Builders and their sub-contractors must adhere to requirements of this sub-section D. in order to establish or maintain their approval status:

1. WITHOUT PRE-APPROVAL. If a builder/contractor has not been previously approved by the Architectural Control Committee, the Co-owner must furnish to the Architectural Control Committee the following information, together with a written request to approve a builder/contractor: (1) a copy of the builder/contractor's residential builder's license; (2) a certificate of insurance which shall be satisfactory to the Architectural Control Committee in all respects and provide that any cancellation or substantive modification of coverage shall not be effective without thirty (30) days prior written notice to the Co-owner and the Architectural Control Committee; and (3) a resume of the builder/contractor's projects similar in nature to the proposed work.

2. PRE-CONSTRUCTION CERTIFICATE OF COMPLIANCE. Prior to the commencement of any construction or improvement within a Unit, the Co-owner shall supply the Architectural Control Committee with: (1) a certification by a duly licensed civil engineer or land surveyor verifying that the proposed improvements are to be properly located and are in accordance with the Plans previously approved by the Architectural Control Committee; and (2) copies of all required building and other permits and approvals.

3. ACCOUNTABILITY. The builder/contractor and landscaper shall designate a construction superintendent at the start of construction to be responsible for supervising adherence to the

Construction Regulations below and the other applicable provisions of the Condominium Documents of the Condominium.

E. RESTRICTIONS APPLICABLE TO DWELLINGS, STRUCTURES AND OTHER IMPROVEMENTS.

1. MAILBOXES. Each mailbox in the Condominium shall be approved as to size, style and appearance approved by the Architectural Control Committee and the Township branch of the United States Post Office.

2. USE OF UNITS. No building shall be erected, re-erected, moved or maintained upon any Unit, other than one (1) dwelling with an attached garage, as hereinafter provided. The dwelling shall be designed and erected for occupation as a private residence. An attached, private garage that provides space for not fewer than two (2) automobiles also must be erected and maintained for the sole use of the occupants of the dwelling.

3. UNIT WIDTH AND SETBACKS. Except insofar as in any specific instance the Township may grant to a Co-owner a variance, and the Architectural Control Committee may approve a lesser dimension and/or setback, the following Unit dimension and dwelling setback requirements shall apply in the Project:

(a) The width of all Units, measured at the front building line of the dwelling to be constructed thereon, shall be not less than one hundred feet (100').

(b) The dwelling to be constructed on a Unit shall be set back at least forty feet (40') from the Unit front boundary. In the event that a dwelling fronts upon two (2) streets, the side on which the main entrance is located shall be considered the "front" for the purposes of this subparagraph.

(c) The dwelling to be constructed on a Unit shall be set back at least thirty feet (30') from the Unit rear boundary; provided, that the rear setback of any dwelling constructed upon Units 73-76, 79 and 80 shall have a seventy (70') setback from the ordinary high water mark of South Ore Creek; provided further, that the Architectural Control Committee shall have the right (but not any obligation) to permit setbacks less than those which are established above if in its sole judgment the grade, soil or other physical conditions pertaining to a Unit justify such a variance, provided that any such variance shall be conditional upon the Co-owner also obtaining any necessary approval or variance from the Township. Any setback variance so granted by the Architectural Control Committee and, if required, the Township shall constitute a valid waiver of this restriction.

(d) The dwelling to be constructed on a Unit shall have a minimum width, measured at the front building line, of fifty-five feet (55'), shall be set back at least ten feet (10') from each Unit side boundary so that there is an aggregate side yard setback of not less than twenty feet (20').

4. CHARACTER AND SIZE OF DWELLINGS. No dwelling with a living area of less than: (a) two thousand five hundred (2,500) square feet in the aggregate, in the case of a "one-story" or "ranch-style" dwelling; or (b) two thousand (2,000) square feet on the entry or first level, in the case of a "one and one-half story" or "two-story" dwelling, shall be permitted on any Unit. All computations of square footings for determination of the permissibility of erection of a dwelling shall be exclusive of basements (including walkout basements), garages, porches and terraces.

5. DWELLING EXTERIOR CONSTRUCTION AND SURFACE MATERIALS. The exterior of all dwellings must be completed as soon as practical after construction commences, and in any event within twelve (12) months, except where such completion is impossible or, as determined by the Architectural Control Committee, in its sole discretion, would result in undue hardship to the Co-owner or Builder due to strikes, fires, unavailability of materials, natural calamity or national emergency. The visible front, side and rear (but only below the bottom of the second floor level on a "two-story" dwelling) exterior walls of all dwelling structures shall be brick, stone or wood siding (but no yellow or white brick shall be allowed). The use of any other exterior surface building material shall first be approved by the Architectural Control Committee. No aluminum, vinyl or T-111 siding or metal windows are permitted. The use of cement block, slag, cinder block, imitation brick, asphalt and/or

any type of commercial or aluminum siding is expressly prohibited. Windows and doors shall not be included in calculating the total area of visible exterior walls. Walkout basements are permitted; provided, that the visible exterior of the dwelling from grade level to entry level shall be finished in brick or stone. The Architectural Control Committee may grant such exceptions to this restriction as it deems suitable.

6. CHIMNEYS. Each chimney must exhaust above the peak of the roof section through which or abutting which such chimney is installed (as applicable) as determined by the Architectural Control Committee. Each chimney located on the front, side or rear of a dwelling shall be of masonry exterior construction its entire height to the foundation footing; provided, that the exterior of a chimney that direct vents through the roof of the dwelling must be finished with a masonry material which matches the primary brick color of the residence. Each chimney shall have flues lined through the entire height with standard clay lining or other fire resistant material. No pre-fabricated chimneys may be installed or maintained if they are installed on the outside of the dwelling and are finished with masonry from the foundation for their entire height. Direct vented fireplaces which do not require a chimney only may be installed and maintained within a dwelling with the venting penetrating a rear or side wall on the first floor or a rear wall on the second floor. No such direct vented fireplace may be installed or maintained with venting which is visible from the street. All vents must be painted the same color as the exterior of the wall on which they are installed and must be screened by landscaping approved by the Architectural Control Committee so as to be as unobtrusive as possible and not be visible from adjacent Units.

7. GARAGES AND DRIVEWAYS. Weather permitting, prior to a dwelling being occupied, the Unit shall have constructed on it an asphalt or interlocking brick paver driveway in the location approved by the Architectural Control Committee, which driveway shall at all times be maintained and kept in good repair. In the event that the asphalt plants are then closed, or for any other reason weather conditions do not then permit driveway construction, the driveway shall be constructed within thirty (30) days after the asphalt plant opens or such adverse weather conditions cease, as applicable. Developer reserves the right at any time to change the driveway location as to any Unit or Units. Side entry garages are required, subject to the right of the Architectural Control Committee to approve a front entry garage for any Unit if the Architectural Control Committee determines that to be preferable due to the inadequacy of the turning radius and access to the garage and the driveway's location upon the Unit relative to the nearest Unit boundary; provided, that the Architectural Control Committee only may approve a request for a front entry garage only if a majority of the Units in the Condominium shall have been approved and maintained with side entry garages, giving consideration to the approval of the current request for front entry garage. No garage shall provide space for less than two (2) automobiles. Carports are specifically prohibited.

8. WELLS. No well shall be dug, installed or constructed on any Unit.

9. INSTALLATION OF SANITARY SEWER GRINDER PUMP. The Co-owner of each Unit (including any Builder which acquires fee title to or the interest of a land contract vendee in the Unit) shall be responsible for the installation of the grinder pump and lateral sanitary sewer line in conformance with the requirements of the Township including, without limitation, by personnel trained and approved by the Township. The grinder pump and lateral sanitary sewer line shall be Common Elements only if, and for so long as, the Township has not assumed the responsibility for their operation, inspection, maintenance and repair.

10. CLEAR VISION EASEMENTS. No dwelling, structure or improvement, including any tree or other landscaping, shall be constructed or installed within any area that is designated and/or depicted on the Condominium Subdivision Plan as a "Clear Vision Easement" within the meaning of Article X of the Master Deed.

11. UTILITY EASEMENTS. No dwelling, structure or other improvement may be constructed or maintained over or on any underground television cable, sewer lines, water mains, drainage lines, surface drainage swales or any other utility easement; however, after the aforementioned utilities have been installed, plants, fences (where permitted) and other improvements within the Unit and not inconsistent with the terms, covenants and conditions of such easement shall be allowed, so long as

they do not violate the provisions of this Article VI, Section 3, do not interfere with, obstruct, hinder or impair the drainage plan of the Condominium and so long as access be granted, without charge or liability for damages, for the installation and/or maintenance of the utilities, drainage lines and/or additional facilities.

12. SHORELANDS. No building or structure, except a boat dock permitted by this Article VI, shall be located within the lands extending between both side boundaries of a Lakefront Unit and from the ordinary high water mark of Brighton Lake [nine hundred and three-tenths feet (900.3') above mean sea level N.G.V. datum] for a distance of ninety feet (90') from the lake shore (hereinafter, the "Shorelands"). The Co-owner of each Lakefront Unit shall maintain a natural vegetative buffer of trees and shrubs adjacent to Brighton Lake within that portion of the Shorelands which extends the entire width of the Lakefront Unit measured at the intermediate traverse line to a depth from said ordinary high water mark of Brighton Lake to the lesser of seventy (70') feet or the distance between the intermediate traverse line and the nearest part of a dwelling constructed on the Lakefront Unit in conformance with the preceding sentence. Within the vegetative buffer strip, no more than the lesser of (i) twenty percent (20%) and (ii) twenty (20) feet in the aggregate of the Lakefront Unit's lake frontage may be cleared of trees and shrubs to afford lake access, provided such clearing does not cause excessive erosion and sedimentation of Brighton Lake or the lake shore. The cleared area must be landscaped in accordance with plans that are approved by the Architectural Control Committee pursuant to Part B. of this Article VI, above, which may grant or deny approval in its sole discretion. The Brighton Lake access and landscaping of the cleared area must (i) substantially incorporate naturally occurring materials, such as vegetative ground cover, sand, native plant materials and the like, and (ii) be compatible with the existing natural environment as defined by the Architectural Control Committee.

13. TEMPORARY STRUCTURES. Trailers, tents, shacks, barns and other temporary buildings of every description whatsoever are expressly prohibited, and no temporary occupancy shall be permitted in unfinished dwellings. However, the erection of a temporary storage building for materials and supplies to be used in the construction of a dwelling, and which shall be removed from the Condominium Premises upon completion of the building, is permitted.

14. FENCES. Any fences permitted herein below must be contiguous with any fence located on adjacent Units.

(a) No fence, wall or solid hedge may be erected, grown or maintained in front of the front building line of any Unit; provided, however, that low ornamental fencing acceptable to the Architectural Control Committee may be erected along the front lot line in architectural harmony with the design of the house. Chain link fences are prohibited. The side lot line of each corner Unit which faces a street shall be deemed to be a second front building lot line and shall be subject to the same restrictions as to the erection, growth or maintenance of fences, walls or hedges as is hereinbefore provided for front building lines.

(b) No fence or wall may be erected or maintained on or along the side lines of any Unit and/or on or along the rear line of any Unit, except that fences which are required by local ordinance to enclose swimming pools and fences used for dog runs or pens which comply with the requirements of Article VI, Section 6 of these Bylaws shall be permitted.

15. DOCKS, BOATHOUSES, SHEDS AND/OR OTHER STRUCTURES ON LAKEFRONT UNITS; NO DREDGING OR OTHER ALTERATION FOR LAKE ACCESS. No boathouses, sheds or other structure of any kind, either temporary or permanent, shall be constructed, installed or otherwise permitted on any Unit or upon the adjacent General Common Elements. Subject to compliance with the other provisions of these Bylaws pertaining to the installation or construction of improvements or exterior modifications, the Co-owner of a Lakefront Unit shall be entitled to construct only one (1) seasonal dock of a standard design to be approved by the Architectural Control Committee. The location, length and width of the dock shall be determined by the Architectural Control Committee in its sole discretion; provided, that the dock shall not be located any closer than twenty (20) feet to the side boundary line of the Lakefront Unit, except that in the case of Units 4 and 7 a dock may be located not closer than fifteen (15) feet from the Unit side boundary line. The Co-owner of a Lakefront

Unit, at his sole cost and expense, may install an approved dock in the spring in any year, but shall remove that dock in the fall of that same year. Permanent, semi-permanent or temporary docks, slides, rafts, boat hoists, boat lift stations and similar improvements, equipment and fixtures are specifically prohibited.

The Co-owner of each Lakefront Unit at all times, at his sole cost and expense, shall maintain his dock and the associated lakefront area of his Lakefront Unit in an attractive, neat and clean condition and appearance and in compliance with the terms of the Condominium Documents. Fixtures, furnishings, equipment (including, without limitation, barbeques, clothing, towels, inflatable rafts, beach toys, bathing suits and hoses), ornaments, signs, canopies, awnings or decorations of any kind may not be installed, located, placed or maintained on any dock. When not in use, clothing, towels, inflatable rafts, beach toys, bathing suits, hoses and other similar beach items shall be removed from the dock and associated lakefront area and appropriately stored. No "For Sale" sign advertising a Unit may be placed upon a dock.

The Co-owner of a Lakefront Unit may not grant any easement, license or other right of way through, over or across his Lakefront Unit or dock for the purpose of lake access. The construction of a canal, channel or other artificial lake access waterway is specifically prohibited.

The Co-owner of a Lakefront Unit desiring to dredge or otherwise alter the lakebed, or to construct or install any seawall or other modification to the Brighton Lake frontage of his Lakefront Unit, shall submit his plans and application to the Architectural Control Committee for approval prior to their submission to the Michigan Department of Environmental Quality ("MDEQ"), if required by the Inland Lake and Streams Act, being MCL 324.30101 *et seq.*, or any successor statute. The Architectural Control Committee may approve or deny such plans, or require modifications thereof, in its sole discretion. Once approved by the Architectural Control Committee, the Co-owner of the Lakefront Unit may submit his plans and application to the MDEQ in order to obtain a permit for the approved activity. When and if the MDEQ authorizes and issues a permit for such activity, the Co-owner of the Lakefront Unit shall provide evidence of same to the Architectural Control Committee prior to the onset of any activity permitted by this paragraph.

16. SIGNS. All signs and billboards are subject to the architectural control requirements of this Section 3. No sign or billboard shall be placed, erected or maintained on any Unit, including within the dwelling constructed upon the Unit, if visible from outside the Unit, except for one sign advertising the Unit, or the Unit and dwelling, for sale or lease, which said sign shall have a surface or not more than five (5) square feet and the top of which shall be not more than three (3) feet above the ground; provided, however, that such sign shall have been constructed and installed in a professional manner. Any such sign shall be a combination of black and gold colors and shall be kept clean and in good repair during the period of its maintenance on the said Unit, and shall in no event be placed and maintained nearer than twenty-five (25') feet from the front lot line.

17. GENERAL CONDITIONS.

(a) No Unit shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste, and the same shall not be kept except in sanitary containers properly concealed from public view. Garbage containers shall not be left at the road for more than twenty-four (24) hours in any one (1) week. No trash shall be burned on any Unit.

(b) Each Unit and its surrounding street pavements and Common Elements shall be kept clean and free from garbage, refuse, soil runoff and other materials and debris. The restriction of this subparagraph (b) shall apply both to Builders during the period of house construction and to subsequent Co-owners of the Unit.

(c) All homes shall be equipped with electric garbage disposal units in the kitchen.

(d) A construction trailer and construction vehicles may be maintained by each Builder offering new houses for sale, but only during the period when new houses are under construction in the Condominium by that Builder.

(e) The grade of any Unit(s) may not be changed without the written consent of the Township and the Architectural Control Committee. This restriction is intended to prevent interference with the master drainage plans for the Condominium.

(f) No "through the wall" air conditioners may be installed on the front wall or on any side wall or window of any dwelling. Outside compressors for central air conditioning units may be located only in the rear yard and must be installed and maintained in such a manner so as to create no nuisance to the residents of adjacent dwellings.

(g) No above-ground swimming pools may be erected or installed, and no in-ground swimming pool may be built which is higher than one (1) foot above the existing Unit grade.

(h) No attachment, appliance or other item may be installed which is designed to kill or repel insects or other animals by light or humanly audible sound.

18. DESTRUCTION OF DWELLING OR STRUCTURE BY FIRE. All debris resulting from the destruction in whole or in part of any dwelling or other structure on a Unit shall be removed from such Unit with all reasonable dispatch in order to prevent an unsightly condition.

19. STREET TREES AND LANDSCAPING. The Unit Co-owner (including land contract and option purchasers of Units) shall be responsible to plant two (2) canopy trees, each with a minimum caliper of two and one-half inches (2-1/2") along the frontage on each Unit owned (or purchased on land contract or option), except that existing trees with a minimum caliper of two and one-half inches (2-1/2") may be substituted with the prior approval of the Architectural Control Committee provided that the Architectural Control Committee is satisfied that adequate measures have been taken and will be maintained that will assure their preservation. All such street trees shall be a species of canopy tree approved in advanced by the Architectural Control Committee, and shall conform with any applicable requirements of the Township's zoning ordinance. All street trees shall be placed in locations approved by the Architectural Control Committee in its sole discretion; provided, that no street tree shall be planted within a Clear Vision Easement. When planted, each street tree shall be approximately equidistant from the other street trees on the Unit and the street trees located (or to be located) on the Unit(s) adjacent to the Unit on which the trees are planted. Landscaping in accordance with the approved landscaping plan, including finish grading or sodding, must be completed within ninety (90) days after the closing of the sale of a newly-constructed dwelling, or occupancy, whichever is sooner. If, however, such closing or occupancy occurs after September 1 of any year, then the Unit shall be sodded and appropriately landscaped in accordance with the approved landscaping plan by June 1 of the following year. Each Co-owner shall maintain and replace the approved landscaping on the Unit and the street tree planted in the street right of way adjacent to the Co-owner's Unit as provided in this paragraph 19. In the event any street tree dies, the Co-owner of the Unit immediately adjacent to the right-of-way in which the street tree is planted shall replace the dead tree with the same or a different species of canopy tree approved in advance by the Architectural Control Committee, in the minimum size required by the Township, at the Co-owner's sole cost and expense. If the Co-owner fails to make such a replacement within thirty (30) days after written request to do so from the Architectural Control Committee or the Association, the Architectural Control Committee or the Association may replace the tree and assess the Co-owner the cost of replacing the dead tree. Any such special assessment shall be a lien on the Co-owner's Unit as provided in Article II of these Bylaws. The Association shall not be obligated to replace dead trees pursuant to this paragraph 19, any rights exercised hereunder being entirely at the discretion of the Association. At the closing of each Unit sale by the Developer or its successors, each Co-owner will post a bond acceptable to the Architectural Control Committee sufficient to cover the Co-owner's obligations for landscaping and street trees.

20. EROSION CONTROL. Each Co-owner of a Unit shall ensure that all reasonable erosion prevention measures are implemented and maintained in order to ensure that soil and other debris does not enter wetlands, sewer lines, manholes, catch basins and retention basins serving or located within the Condominium (collectively, the "Storm Sewer Improvements"), and shall install soil erosion control fencing (including, without limitation, soil erosion control fencing around the perimeter of the Unit from the time that construction or grading commences on the Unit until such time as grass has grown in

sufficiently on the Unit to end the threat of soil erosion) on such Unit in order to keep sediment and other runoff out of the streets in the Condominium. In the event that the Developer or the Association is notified by a governmental agency having jurisdiction over the Storm Sewer Improvements that the Storm Sewer Improvements need to be cleaned or serviced due to a build-up of sediment or other debris, the Developer or the Association may contract for such cleaning or servicing and charge each Co-owner of a Unit in the Condominium a pro-rata share of the cost of the same in common with other Co-owners of Units, such that the Co-owners shall pay the full cost incurred by the Developer or the Association for such cleaning and servicing. Any retaining wall located on a Unit must be properly maintained, repaired or replaced by the Unit Co-owner as necessary in order to ensure that erosion is minimized and controlled. All costs incurred under this sub-section may be may be assessed to and collected from the Co-owners in the manner provided in Article II hereof.

Section 4. <u>Activities</u>.

(a) **In General.** No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: any activity involving the use of firearms, air rifles, pellet guns, b-b guns, bows and arrows, sling shots, illegal fireworks, or other similar dangerous weapons, projectiles or devices.

(b) **Watercraft and Other Motorized Water Vehicles.** The Co-owner of each Dock Privilege Unit shall be allowed to maintain a maximum of two (2) privately owned non-motorized watercraft on his Dock Privilege Unit, or one (1) non-motorized watercraft and one (1) watercraft propelled by a single, small electric motor. Any other type of motorized water vehicle, including without limitation, any watercraft powered by an internal or external combustion engine or "jet"-type motor, any gasoline, air, fan, blower or jet propulsion device or any other type of high performance water vehicle (including, for example, jet skis, jet boats or waverunners) is specifically prohibited. All persons using watercraft upon Brighton Lake must obey all applicable federal, state or local laws regarding the operation of boats and other watercraft.

When not in use, all watercraft must be docked or moored in such manner and at such location as the Board of Directors shall establish pursuant to rule promulgated in accordance with Article VI, Section 11; provided, that all watercraft must be docked, stored or otherwise maintained solely and completely within the limits of the side boundaries of the Dock Privilege Unit extended into Brighton Lake. All lines, sails, tarps, life jackets and other similar items shall be properly stowed and secured.

Trailers may be used to launch watercraft into Brighton Lake or for removal from Brighton Lake; provided, that such trailers shall be so used only at specific locations identified by the Architectural Control Committee.

Maintenance or repair work may not be performed on any boat while that boat is moored or docked in Brighton Lake, but routine cleaning of a boat shall be permitted. The only cleaning soaps or detergents which may be used shall be non-phosphate and biodegradable. Flammable, combustible or explosive materials are not permitted. The following are not permitted within that portion of Brighton Lake that is within the boundaries of the Condominium extended into Brighton Lake or any other portion of the Pine Creek Ridge Development:

i.) Cooking devices of any type in or on any watercraft.

ii.) Hazardous devices on any watercraft, including fireworks.

iii.) Discharging any litter, sewage, pollutant, contaminant or other material into Brighton Lake.

iv.) Mooring or docking of any private watercraft owned by a Landbound Owner.

Section 5. Pets and Animals. No farm animals, livestock, reptiles or exotic animals, and no savage or dangerous animals, shall be kept, bred or harbored on any Unit. No domesticated animal, including household pets, shall be maintained by any Co-owner unless specifically approved in writing by the Association, except that a Co-owner may maintain two (2) domesticated dogs or two (2) domesticated cats, or one of each, in his dwelling. No animal may be kept or bred for any commercial purpose. Any animal shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon a Unit, unless in a dog run or pen, or upon the Common Elements, and any animal shall at all times be leashed and attended in person by some responsible person while on the Common Elements. No dog runs or pens shall be permitted to be erected or maintained unless the prior written approval of the Architectural Control Committee is obtained in accordance with Section 3 of this Article VI and same are located within the rear yard (only) adjacent to a wall of the main dwelling or garage and facing the rear of the Unit, nor shall such runs or pens extend beyond the end of the dwelling or garage into the side yard. The Board of Directors may, in its discretion, designate certain portions of the General Common Elements of the Project wherein such animals may be walked and/or exercised. Nothing herein contained shall be construed to require the Board of Directors to so designate a portion of the General Common Elements for the walking and/or exercising of animals. Any Co-owner who causes any animal to be brought or kept upon the Condominium Premises shall indemnify and hold harmless the Association for any loss, damage or liability (including costs and attorney fees) which the Association may sustain as a result of the presence of such animal on the Condominium Premises, whether or not the Association has given its permission therefor, and the Association may assess and collect from the responsible Co-owner such losses and/or damages in the manner provided in Article II hereof. Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any animal maintained by such Co-owner. No dog that barks and can be heard on any frequent or continuing basis shall be kept on any Unit or on the Common Elements. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. The Association may, after notice and hearing, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium that it determines is in violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. The Association may also assess fines for the violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. The term "animal" or "pet" as used in this Section shall not include small, domesticated animals that are constantly caged, such as small birds or fish.

Section 6. Aesthetics. The Common Elements shall not be used for the storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association, except that building materials may be stored on the Co-owner's own Unit during the construction period of the home. Garage doors shall be kept closed at all times except as may be reasonably necessary to gain access to or from any garage. Laundry shall not be hung on any Unit. No unsightly condition shall be maintained on any Unit, and only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use, except as may be provided in rules and regulations of the Association. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the Common Elements, except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. In general, no activity shall be carried on nor condition maintained by the Co-owner within the perimeter of his Unit or upon the Common Elements that is detrimental to the appearance of the Condominium.

Section 7. Use and Maintenance of Open Space Areas and Wetlands. The Open Space Areas and General Common Element private roads and sidewalks shall not be obstructed in any way, nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs, or benches may be left unattended on or about the Open Space Areas or the General Common Element private roads and sidewalks, except as may be provided in duly adopted rules and regulations of the Condominium. The use of any amenities in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations; provided, however, that the use of any amenities in the Condominium shall be limited to resident Co-owners who are members in good standing of

the Association and their immediate family members and to the tenants, land contract purchasers and/or other nonCo-owner occupants of dwellings in which the Co-owner does not reside; provided, further, however, that the nonresident Co-owners of such Units are members in good standing of the Association.

The Board of Directors from time to time may undertake, supervise and/or control such programs of use, maintenance and/or restoration of the Open Space Areas as it determines are necessary to comply with the Township Open Space Community Ordinance or appropriate in order to preserve the desirable features of the natural environment or to restore previously existing features of the environment of the Open Space Areas which may have deteriorated. Any maintenance or restoration shall be conducted after approval, if applicable, by the Michigan Department of Natural Resources or the Township, or such other approval as is required by applicable law, including Part 303 of the Natural Resources Environmental Act, MCL 324.30301 et. seq., and the Inland Lakes and Streams Act of 1972, P.A. 1972, No. 346, as amended, or their successor enactments.

No dwellings, accessory buildings, decks or other structures or any other improvements shall be permitted within the twenty-five (25) foot fringe area around any wetlands area, as designated or depicted on the Condominium Subdivision Plan. No aerators, fountains or other devices shall be installed in any regulated wetland or natural feature areas. Co-owners, nonCo-owner residents, their guests, invitees and licensees shall not disturb the integrity of the wetlands and natural feature areas. Compliance with these restrictions by the Co-owners, nonCo-owner residents, their guests, invitees and licensees shall be enforced by the Association and all costs of enforcement shall be assessed against the responsible Co-owner in accordance with Section 17 of this Article VI. Notwithstanding the enforcement responsibility of the Association, the enforcement measures shall not preempt or preclude enforcement by the Township and the Co-owner of any Unit that contains any regulated wetland area shall, in addition to complying with the Condominium Documents, including the architectural control provisions of this Article VI, obtain the permission of the Michigan Department of Environmental Quality for any activity, including construction, within, over, across or under said regulated wetlands. Nothing in the Condominium Documents shall be construed to limit the authority of the Michigan Department of Environmental Quality to regulate wetlands under applicable law or regulation, or to excuse any Co-owner from the responsibility to comply with applicable laws and regulations by reason of the Co-owner having complied with the requirements of the Condominium Documents.

The following uses and practices, though not an exhaustive recital of consistent uses and practices, have been determined by the Township Open Space Community Ordinance to be consistent with its intent and purpose and, therefore, the Developer has determined that they shall be considered desirable and not prohibited within the Open Space Areas of the Condominium:

(a) An established system of low-impact hiking and observation trails constructed through or over wetlands or wetland buffer Open Space Areas (subject, as to wetlands, to the approval of the Department of Natural Resources in accordance with applicable law);

(b) The right of resident Co-owners who are members in good standing of the Association, and their immediate family members, or the tenants, land contract purchasers and/or other nonCo-owner occupants of dwellings in which the Co-owner does not reside, to use Open Space Areas for passive recreation and hiking along an established Open Space Area trail system; and,

(c) The removal of dead or dying vegetation and debris within the Open Space Areas so that enjoyment of the Open Space Areas by resident Co-owners who are members in good standing of the Association, and their immediate family members, or the tenants, land contract purchasers and/or other nonCo-owner occupants of dwellings in which the Co-owner does not reside, may be enhanced and, if considered desirable by the Board of Directors, the replacement of removed vegetation with native plant materials.

The following uses and practices, though not intended to be an exhaustive recital of inconsistent uses and practices, have been determined by the Township Open Space Community Ordinance to be inconsistent with its intent and purpose and, therefore, are prohibited within the Open Space Areas of the Condominium:

(a) Any commercial or industrial use or activity within the Open Space Areas;

(b) The construction of any building, structure or other improvement, including utility poles, except in connection with the construction of a trail system as described above;

(c) The dumping or other disposal of any refuse in the Open Space Areas;

(d) Any use or activity that causes or presents a substantial risk of causing soil erosion;

(e) The cutting of live trees or other plant materials, except as necessary to control or prevent imminent fire hazard or to restore natural habitat areas or promote native vegetation;

(f) The construction, maintenance or erection of any signs or billboards within the Open Space Areas, except for non-obtrusive trail signs of any type and character consistent with a system of natural trails;

(g) The use of off-road vehicles, whether self-propelled or powered by engines;

(h) The filling, dredging or diking of wetlands or wetland buffer areas;

(i) Chemical spraying of emergent wetland vegetation except to protect native plant materials; and,

(j) The introduction of non-native plant or animal species that may compete with or result in the decline or elimination of native species of plants and animals.

Section 8. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, mobile homes, dune buggies, motor homes, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles, other than automobiles, motorcycles, vehicles and trucks which are designed and used primarily for personal transportation purposes, may be parked or stored upon the premises of the Condominium, unless enclosed in the Co-owner's garage with the door closed or in such other area as may be specifically approved by the Association or parked in an area specifically designated therefor by the Association. Nothing herein contained shall be construed to require the Association to approve the parking or storage of such vehicles or to designate an area therefor. The Association shall not be responsible for any damages, costs or other liability arising from any failure to approve the parking or storage of such vehicles or to designate an area therefor. A Co-owner may not maintain more than three (3) vehicles upon the Condominium Premises unless the Board of Directors specifically approves in writing otherwise. Co-owners must park their vehicles in their Unit garage or upon their Unit driveway, only, unless the Board of Directors has specifically approved otherwise in writing and/or as may otherwise be set forth in rules and regulations promulgated pursuant to Article VI, Section 9 hereof. Any non-assigned parking areas shall be reserved for the general use of the members and their guests. Commercial vehicles and trucks (except trucks designed and used primarily for personal transportation as herein provided) shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pick-ups in the normal course of business. For purposes of this Section, "commercial vehicle" means any vehicle that has any one of the following characteristics: (a) more than two (2) axles; (b) gross vehicle weight rating in excess of 10,000 pounds; (c) visibly equipped with or carrying equipment or materials used in a business; or (d) carrying a sign advertising or identifying a business. Noncommercial trucks such as Suburbans, Blazers, Bravadas, Jeeps, GMC's/Jimmy's, Expeditions, Explorers, pickups, vans, and similar vehicles that are designed and used primarily for personal transportation shall be permissible, except as may be otherwise prohibited herein. Non-operational vehicles or vehicles with expired license plates shall not be parked or stored on the Condominium Premises without the written permission of the Board of Directors. The Association may cause vehicles parked or stored in violation of this Section to be removed from the Condominium Premises and the cost of such removal may be assessed to and collected from the Co-owner of the Unit responsible for the presence of the vehicle in the manner provided in Article II hereof without liability to the Association. Co-owners shall, if the Association shall require, register with the Association all vehicles maintained on the Condominium Premises. The Board of Directors may promulgate reasonable rules and regulations governing the parking of vehicles in the Condominium consistent with the provisions hereof.

Section 9. Rules and Regulations. Reasonable rules and regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use and operation of the Condominium may be made and amended from time to time by the Board of Directors of the Association, including the First Board of Directors (or its successors appointed by the Developer prior to the First Annual Meeting of the entire Association held as provided in Article X, Section 2 of these Bylaws). Copies of all such rules and/or regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-owner. Any such rule or regulation or amendment

may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all Co-owners, except that the Co-owners may not revoke any rule or regulation prior to the First Annual Meeting of Members.

Section 10. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. This right of access shall include, without any implication of limitation, the right of the Association to obtain access to the Unit (but not the dwelling constructed upon the Unit) during reasonable hours and upon reasonable notice if necessary in order to monitor, inspect, maintain, repair or replace water meters and sprinkler controls and valves located therein. The Association or its agents shall also have access for such purposes to each Unit (but not the dwelling constructed upon the Unit) at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit and/or to protect the safety and/or welfare of the inhabitants of the Condominium. In the event it is necessary for the Association to gain access to a Unit to make repairs or prevent damage to the Common Elements or to another Unit, or to protect the safety and welfare of the inhabitants of the Condominium, the costs, expenses, damages, and/or attorney fees incurred by the Association in such undertaking shall be assessed to the responsible Co-owner and collected in the manner provided in Article II above of these Bylaws.

Section 11. Disposition of Interest in Unit by Sale or Lease. No Co-owner may dispose of a Unit, or any interest therein, by a sale or lease without complying with the following terms or conditions:

(a) Notice to Association; Co-owner to Provide Condominium Documents to Purchaser or Tenant. A Co-owner intending to make a sale or lease of a Unit, or any interest therein, shall give written notice of such intention delivered to the Association at its registered office and shall furnish the name and address of the intended purchaser or lessee and such other information as the Association may reasonably require. Prior to the sale or lease of a Unit, the selling or leasing Co-owner shall provide a copy of the Condominium Master Deed (including Exhibits "A" and "B" thereto) and any amendments to the Master Deed, the Articles of Incorporation and any amendment thereto, and the rules and regulations, as amended, if any, to the proposed purchaser or lessee. In the event a Co-owner shall fail to notify the Association of the proposed sale or lease or in the event a Co-owner shall fail to provide the prospective purchaser or lessee with a copy of the Master Deed and other documents referred to above, such Co-owner shall be liable for all costs and expenses, including attorney fees, that may be incurred by the Association as a result thereof or by reason of any noncompliance of such purchaser or lessee with the terms, provisions and restrictions set forth in the Master Deed; provided, however, that this provision shall not be construed so as to relieve the purchaser or lessee of his obligations to comply with the Condominium Documents.

(b) Developer, Builder and Mortgagees not Subject to Section. Neither the Developer nor any Builder shall be subject to this Section 11 in the sale or, except to the extent provided in Article VI, Section 2(b), the lease of any Unit that it owns. The holder of any mortgage which comes into possession of a Unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed in lieu of foreclosure, also shall not be subject to the provisions of this Section 11 in the sale or, except to the extent provided in Article VI, Section 2(b), the lease of such Unit.

Section 12. Co-owner Maintenance. Each Co-owner shall maintain his Unit, dwelling and all other structures and improvements located thereon, together with any Limited Common Elements appurtenant thereto for which he has maintenance responsibility, in a safe, clean and sanitary condition. In the event a Co-owner fails to properly maintain, repair or replace an item for which he or she has maintenance, repair and/or replacement responsibility under the terms of the Master Deed, these Bylaws or any other Condominium Document, the Association may, in the sole discretion of the Board of Directors and at its option, perform any such maintenance, repair and replacement following the giving of three (3) days written notice thereof to the responsible Co-owner of its intent to do so (except in the case of an emergency repair with which the Association may proceed without prior notice). The Association may assess the costs thereof to the Co-owner of the Unit as provided in Section 15 of this Article VI. The aforestated right of the Association to perform such maintenance, repair and replacement shall not be deemed an obligation of the Association, but, rather, is in the sole discretion of the Board of Directors. Each Co-owner shall also use due care to avoid damaging any of the Common Elements. Each Co-owner shall be responsible for damages or costs to the Association, or to other Co-owners, as the case may be, resulting from negligent damage to or misuse of any of the Common

Elements by him, or his family, guests, tenants, land contract purchasers, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless full reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association or to other Co-owners, as the case may be, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. The Co-owners shall have the responsibility to report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement.

Section 13. Developer's and Builder's Rights to Furtherance of Development, Construction and Sale. None of the restrictions contained in this Article VI (with the exception of the restrictions of Section 12 above) shall apply to the commercial activities or signs or billboards, if any, of the Developer, or of any designee of the Developer, during the Development, Construction and Sales Period, or of the Association in furtherance of its powers and purposes set forth herein and/or in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, the Developer, and each person so designated by the Developer, shall have the right to maintain a sales office, a business office, a construction office, model Units, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Condominium as may be reasonable to enable development, construction and sale of the entire Condominium by the Developer and each person so designated by the Developer, and/or the development, sale or lease of other off-site property by the Developer or its affiliates, and Developer may continue to do so during the entire Development, Construction and Sales Period and the warranty period applicable to any Unit. The Developer, and every person so designated by the Developer, shall restore the area so utilized to habitable status upon termination of use.

Section 14. Enforcement of Bylaws. The Condominium shall at all times be maintained in a manner consistent with the highest standards of an attractive, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any person to which it may assign this right by a signed writing recorded in the Livingston County Register of Deeds, at its option, may elect to maintain, repair and/or replace any Common Elements, and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer, or any such assignee, shall have the right, but not the obligation, to enforce these Bylaws throughout the Development, Construction and Sales Period, notwithstanding that it may no longer own any Unit in the Condominium, which right of enforcement may include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws. If the Developer, or any such assignee, is successful in such action against the Association or a Co-owner who is in default in compliance with these Bylaws, the Developer, or any such assignee, shall be entitled to recover its litigation and pre-litigation attorneys' fees and all of its costs incurred in connection therewith. Unless the Developer, or any such assignee, has given its written consent, the failure or delay of the Developer or such assignee to enforce these Bylaws shall not constitute a waiver of the right of the Developer to enforce the Bylaws in the future. The provisions of this Section 14 shall not be construed to be a warranty or representation of any kind regarding the physical condition of the Condominium.

Section 15. Assessment of Costs of Enforcement. Any and all costs, damages, expenses and/or attorneys fees incurred by the Association, or the Developer, as the case may be, in enforcing any of the restrictions set forth in this Article VI and/or rules and regulations promulgated by the Board of Directors of the Association under Article VI, Section 9 of these Bylaws, and any costs, expenses, and attorneys' fees incurred in collecting said costs, damages, and any expenses incurred as a result of the conduct of less than all of those entitled to occupy the Condominium Project, or by their licensees or invitees, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

ARTICLE VII
JUDICIAL ACTIONS AND CLAIMS

Actions on behalf of and against the Co-owners shall be brought in the name of the Association. Subject to the express limitations on actions in these Bylaws and in the Association's Articles of Incorporation, the

(f) The amount to be specially assessed against each Unit in the Condominium to fund the estimated cost of the civil action both in total and on a monthly per Unit basis, as required by Section 6 of this Article VII.

(g) The litigation attorney's legal theories for recovery of the Association.

Section 3. Independent Expert Opinion. If the lawsuit relates to the condition of any of the Common Elements of the Condominium, the Board of Directors shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Common Elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the Board of Directors shall conduct its own investigation as to the qualifications of any expert and shall not retain any expert recommended by the litigation attorney or any other expert recommended by the litigation attorney or any other attorney with whom the Board of Directors consults. The purpose of the independent expert opinion is to avoid any potential confusion regarding the condition of the Common Elements that might be created by a report prepared as an instrument of advocacy for use in a civil action. The independent expert opinion will ensure that the Co-owners have a realistic appraisal of the condition of the Common Elements, the likely cost of repairs to or replacement of the same and the reasonable and prudent repair and replacement alternatives. The independent expert opinion shall be sent to all Co-owners with the written notice of litigation evaluation meeting.

Section 4. Fee Agreement with Litigation Attorney. The Association shall have a written fee agreement with the litigation attorney, and any other attorney retained to handle the proposed civil action. The Association shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement unless the existence of the agreement is disclosed to the Co-owners in the text of the Association's written notice to the Co-owners of the litigation evaluation meeting.

Section 5. Co-owner Vote Required. At the litigation evaluation meeting, the Co-owners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Association (other than a suit to enforce these Bylaws or collect delinquent assessments) and the retention of the litigation attorney shall require approval by sixty-six and two-thirds percent (66 2/3%) of all Co-owners. In the event the litigation attorney is not approved, the entire litigation attorney evaluation and approval process set forth in this Article VII shall be conducted prior to the retention of another attorney for this purpose. Any proxies to be voted at the litigation evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation meeting.

Section 6. Litigation Special Assessment. All legal fees incurred in pursuit of any civil action that is subject to Section 1 through 10 of this Article VII shall be paid by special assessment of the Co-owners ("litigation special assessment"). Notwithstanding anything to the contrary herein, the litigation special assessment shall be approved at the litigation evaluation meeting by sixty-six and two-thirds percent (66 2/3%) of all Co-owners in the amount of the estimated total cost of the civil action. If the litigation attorney proposed by the Board of Directors is not retained, the litigation special assessment shall be in an amount equal to the estimated total cost of the civil action, as estimated by the attorney actually retained by the Association. The litigation special assessment shall be apportioned to the Co-owners in accordance with their respective percentage of value interests in the Condominium and shall be collected from the Co-owners on a monthly basis. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty-four (24) months.

Section 7. Attorney's Written Report. During the course of any civil action authorized by the Co-owners pursuant to this Article VII, the retained attorney shall submit a written report ("attorney's written report") to the Board of Directors every thirty (30) days setting forth:

(a) The attorney's fees, the fees of any experts retained by the attorney or the Association, and all other costs of the litigation during the thirty (30) day period immediately preceding the date of the attorney's written report ("reporting period").

(b) All actions taken in the civil action during the reporting period, together with copies of all pleadings, court papers and correspondence filed with the court or sent to opposing counsel during the reporting period.

Association may assert, defend or settle claims on behalf of all Co-owners in connection with the Common Elements of the Condominium. As provided in the Articles of Incorporation of the Association and these Bylaws, the commencement of any civil action (other than one to enforce these Bylaws or collect delinquent assessments) shall require the approval of sixty-six and two-thirds percent (66 2/3%) of all Co-owners and shall be governed by the requirements of this Article VII. The requirements of this Article VII will ensure that the Co-owners are fully informed regarding the prospects and likely costs of any civil action the Association proposes to engage in, as well as the ongoing status of any civil actions actually filed by the Association. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid the waste of the Association's assets in litigation where reasonable and prudent alternatives to the litigation exist. Each Co-owner and the Developer shall have standing to sue to enforce the requirements of this Article VII. The following procedures and requirements apply to the Association's commencement of any civil action other than an action to enforce these Bylaws or to collect delinquent assessments:

Section 1. <u>Board of Directors' Recommendation to Co-owners.</u> The Association's Board of Directors shall be responsible in the first instance to recommend to the Co-owners that a civil action be filed, and supervising and directing any civil actions that are filed.

Section 2. <u>Litigation Evaluation Meeting.</u> Before an attorney is engaged for purposes of filing a civil action on behalf of the Association, the Board of Directors shall call a special meeting of the Co-owners ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to Co-owners of the date, time and place of the litigation evaluation meeting shall be sent to all Co-owners not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8-1/2" x 11" paper:

(a) A certified resolution of the Board of Directors setting forth in detail the concerns of the Board of Directors giving rise to the need to file a civil action and further certifying that:

(1) it is in the best interests of the Association to file a lawsuit;

(2) that at least one member of the Board of Directors has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the Association, without success;

(3) litigation is the only prudent, feasible and reasonable alternative; and

(4) the Board of Directors' proposed attorney for the civil action is of the written opinion that litigation is the Association's most reasonable and prudent alternative.

(b) A written summary of the relevant experience of the attorney ("litigation attorney") the Board of Directors recommends be retained to represent the Association in the proposed civil action, including the following information:

(1) the number of years the litigation attorney has practiced law; and

(2) the name and address of every condominium and homeowner association for which the attorney has filed a civil action in any court, together with the case number, county and court in which each civil action was filed.

(c) The litigation attorney's written estimate of the amount of the Association's likely recovery in the proposed lawsuit, net of legal fees, court costs, expert witness fees and all other expenses expected to be incurred in the litigation.

(d) The litigation attorney's written estimate of the cost of the civil action through a trial on the merits of the case ("total estimated cost"). The total estimated cost of the civil action shall include the litigation attorney's expected fees, court costs, expert witness fees, and all other expenses expected to be incurred in the civil action.

(e) The litigation attorney's proposed written fee agreement.

(c) A detailed description of all discussions with opposing counsel during the reporting period, written and oral, including, but not limited to, settlement discussions.

(d) The costs incurred in the civil action through the date of the written report, as compared to the attorney's estimated total cost of the civil action.

(e) Whether the originally estimated total cost of the civil action remains accurate.

Section 8. Monthly Board Meetings. The Board of Directors shall meet monthly during the course of any civil action to discuss and review:

(a) the status of the litigation;

(b) the status of settlement efforts, if any; and

(c) the attorney's written report.

Section 9. Changes in the Litigation Special Assessment. If, at any time during the course of a civil action, the Board of Directors determines that the originally estimated total cost of the civil action or any revision thereof is inaccurate, the Board of Directors shall immediately prepare a revised estimate of the total cost of the civil action. If the revised estimate exceeds the litigation special assessment previously approved by the Co-owners, the Board of Directors shall call a special meeting of the Co-owners to review the status of the litigation, and to allow the Co-owners to vote on whether to continue the civil action and increase the litigation special assessment. The meeting shall have the same quorum and voting requirements as a litigation evaluation meeting.

Section 10. Disclosure of Litigation Expenses. The attorneys' fees, court costs, expert witness fees and all other expenses of any civil action filed by the Association ("litigation expenses") shall be fully disclosed to Co-owners in the Association's annual budget. The litigation expenses for each civil action filed by the Association shall be listed as a separate line item captioned "litigation expenses" in the Association's annual budget.

Section 11. Constructive Notice of Article. These Bylaws, from and after their recording in the office of the Livingston County Register of Deeds, shall constitute constructive notice of the requirements and limitations of this Article VII to all Co-owners, mortgagees and other persons who subsequently acquire an interest in any Unit.

ARTICLE VIII
MORTGAGES

Section 1. Notice to Association. Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units". The Association shall report any unpaid assessments due from the Co-owner of such Unit to the holder of any first mortgage covering such Unit and co-owners shall be deemed to specifically authorized said action pursuant to these Bylaws. The Association shall give to the holder of any first mortgage covering any Unit written notification of any other default in the performance of the obligations of the Co-owner of such Unit that is not cured within sixty (60) days.

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

Section 3. Notification of Meetings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on a Unit shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

ARTICLE IX
VOTING

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

Section 2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented a deed or other evidence of ownership of a Unit in the Condominium to the Association. No Co-owner, other than the Developer, shall be entitled to vote prior to the First Annual Meeting of members held in accordance with Article X, Section 2, except as specifically provided in Article X, Section 2. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article IX below or by a proxy given by such individual representative except as otherwise provided herein in Article III, Section 4 above. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members and shall be entitled to vote during such period notwithstanding the fact that the Developer may own no Units at some time or from time to time during such period. At and after the First Annual Meeting, the Developer shall be entitled to vote for each Unit it owns.

Section 3. Designation of Voting Representative. Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association, sign petitions and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name, address and telephone number of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name, address and telephone number of each person, firm, corporation, limited liability partnership, limited liability company, partnership, association, trust, or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided, but shall not be permitted to serve as an officer or director of the Association.

Section 4. Quorum. The presence in person or by proxy of thirty-five percent (35%) of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically provided herein to require a greater quorum or where voting in person is required by the Bylaws. The written absentee ballot 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 ballot is cast except where prohibited herein.

Section 5. Voting. Votes may be cast in person or by proxy or by a written absentee ballot duly signed by the designated voting representative not present at a given meeting in person or by proxy, except as otherwise provided herein in Article III, Section 4 above. Proxies and any absentee ballots must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than fifty percent (50%) of those qualified to vote and present in person or by proxy (or absentee ballot, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, the requisite affirmative vote may be required to exceed the simple majority herein above set forth and may require a designated percentage of all Co-owners and may require that votes be cast in person.

ARTICLE X
MEETINGS

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order, or

some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer and may be called at any time either before or after more than fifty percent (50%) in number of the Units that may be created in Pine Creek Bluffs Condominium have been conveyed and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than one hundred twenty (120) days after the conveyance of legal or equitable title to non-Developer Co-owners of seventy-five percent (75%) in number of all Units that may be created or fifty-four (54) months after the first conveyance of legal or equitable title to a non-Developer Co-owner of any Unit in the Condominium, whichever first occurs. The Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of Members and no such meeting shall be construed as the First Annual Meeting of Members. The date, time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each Co-owner. The phrase "Units that may be created" as used in this paragraph and elsewhere in the Condominium Documents refers to the maximum number of Units that the Developer is permitted by the Condominium Documents to include in the Condominium.

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

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors. The President shall also call a special meeting upon a petition signed by one-third (1/3) of the Co-owners presented to the Secretary of the Association, but only after the First Annual Meeting has been held or at the request of the Developer. A Co-owner must be eligible to vote at a meeting of members to validly sign a petition. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Co-owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting, except for the Litigation Evaluation Meeting which notice requirements are prescribed in Article VII, Section 2 above. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article IX, Section 3 above shall be deemed notice served. In lieu thereof, said notice may also be hand delivered to a Unit if the Unit address is designated as the voting representative's address, and/or the Co-owner is a resident of the Unit. Electronic transmittal of such notice, such as facsimile, E-mail and the like, may be deemed notice served in the sole discretion of the Board so long as written or electronic confirmation of receipt of the notice is returned to and received by the Association from the designated voting representative. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

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

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

senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary, and Treasurer.

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members of the Association (except for the election or removal of directors) may be taken without a meeting, with or without prior notice, by written consent of the members, except for litigation referenced in Article III and Article VII above. Written consents may be solicited in the same manner as provided in Section 4 of this Article X above for the giving of notice of meetings of members. Such solicitation may specify the percentage of consents necessary to approve the action, and the time by which consents must be received in order to be counted. The form of written consents shall afford an opportunity to consent (in writing) to each matter and shall provide that, where the member specifies his or her consent, the vote shall be cast in accordance therewith. Approval by written consent shall be constituted by receipt within the time period specified in the solicitation of a number of written consents which equals or exceeds the minimum number of votes which would be required for approval if the action were taken at a meeting at which all members entitled to vote were present and voted.

Section 9. Consent of Absentees. The transactions of any meeting of members, either annual or special, except the litigation evaluation meeting discussed in Article VII herein above and the litigation approval discussed in Article III, Section 4 above, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy or by absentee ballot; and if, either before or after the meeting, each of the members not present in person or by proxy, or absentee ballot, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. Minutes; Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed to truthfully evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE XI
ADVISORY COMMITTEE

Within one (1) year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within one hundred twenty (120) days after conveyance to purchasers of one-third (1/3) of the Units that may be created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least three (3) non-Developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that if more than fifty percent (50%) in number of the non-Developer Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the other Co-owners and to aid in the transition of control of the Association from the Developer to the Co-owners. A chairman of the Committee shall be selected by the members. The Advisory Committee shall cease to exist automatically when the non-Developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XII
BOARD OF DIRECTORS

Section 1. Qualifications of Directors. The affairs of the Association shall be governed by a Board of Directors, all of whom must be members in good standing of the Association or the officers, partners, trustees, employees or agents of Association members which are corporations, limited liability companies, partnerships or other legal entities), except that the foregoing shall not apply to the first Board of Directors designated in the Articles of Incorporation of the Association or any successors thereto appointed by the Developer. Good standing shall be deemed to include a member who is current in all financial obligations owing to the

Association and who is not in default of any of the provisions of the Condominium Documents. Directors shall serve without compensation.

Section 2. Election of Directors.

(a) First Board of Directors. The first Board of Directors shall be comprised of one (1) person and such first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-Developer Co-owners to the Board. Immediately prior to the appointment of the first non-Developer Co-owner to the Board, the Board shall be increased in size to five (5) persons. Thereafter, elections for non-Developer Co-owner directors shall be held as provided in sub-sections (b) and (c) below. The directors shall hold office until their successors are elected and hold their first meeting.

(b) Appointment of Non-Developer Co-owners to Board Prior to First Annual Meeting. Not later than one hundred twenty (120) days after the conveyance of legal or equitable title to non-Developer Co-owners of twenty-five percent (25%) in number of the Units that may be created, one (1) of the five (5) directors shall be elected by non-Developer Co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of fifty percent (50%) in number of the Units that may be created, two (2) of the five (5) directors shall be elected by non-Developer Co-owners. When the required number of conveyances has been reached, the Developer shall notify the non-Developer Co-owners and request that they hold a meeting and elect the required director or directors, as the case may be. Upon certification by the Co-owners to the Developer of the directors so elected, the Developer shall then immediately appoint such director or directors to the Board to serve until the First Annual Meeting of members unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

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

(1) Not later than one-hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of seventy five percent (75%) in number of the Units, the non-Developer Co-owners shall elect all directors on the Board, except that the Developer shall have the right to designate one (1) director as long as the Developer owns and offers for sale at least ten percent (10%) in number of the Units that may be created in the Condominium or as long as ten percent (10%) in number of the Units remain that may be created. Whenever the required conveyance level is achieved, a meeting of Co-owners shall be properly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

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

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

(4) Except as provided in Article XII, Section 2(c)(ii), at the First Annual Meeting, three (3) directors shall be elected for a term of two (2) years and two (2) directors shall be elected for a term of one (1) year.

At such meeting, all nominees shall stand for election as one slate and the three (3) persons receiving the highest number of votes shall be elected for a term of two (2) years and the two (2) persons receiving the next highest number of votes shall be elected for a term of one (1) year. At each annual meeting held thereafter, either two (2) or three (3) directors shall be elected, depending upon the number of directors whose terms expire. After the First Annual Meeting, the term of office (except for two (2) directors elected at the First Annual Meeting) of each director shall be two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting.

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

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners.

Section 4. Other Duties. In addition to the foregoing duties imposed by these Bylaws and any additional duties as may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:

(a) To manage and administer the affairs of, and to maintain, the Condominium and Common Elements.

(b) To levy and collect assessments against and from the Co-owner members of the Association and to use the proceeds thereof for the purposes of the Association.

(c) To carry insurance and to collect and to allocate the proceeds thereof.

(d) To rebuild improvements after casualty.

(e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium.

(f) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit and easements, rights of way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.

(g) To grant easements, rights of entry, rights of way, and licenses to, through, over, and with respect to Association property and/or the Common Elements on behalf of the members of the Association in furtherance of any of the purposes of the Association and to dedicate to the public any portion of the Common Elements of the Condominium; provided, however, that, subject to the provisions of the Master Deed, any such action shall also be approved by the affirmative vote of sixty percent (60%) of all Co-owners, unless such right is specifically reserved to the Developer as provided in Article X of the Master Deed in which event Co-owner approval shall not be required. The sixty percent (60%) approval requirement shall not apply to sub-paragraph (h) below.

(h) To grant such easements, licenses and other rights of entry, use and access, and to enter into any contract or agreement, including wiring agreements, utility agreements, right of way agreements, access agreements and multi-unit agreements, and to the extent allowed by law, contracts for sharing of any installation or periodic subscriber fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, antenna, multi-channel multi-point distribution service and similar services (collectively "Telecommunications") to the Condominium or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which would violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or any other company or entity in connection with such service, including fees, if any, for the privilege of installing same, or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium, within the meaning of the Act, except that same shall be paid over to and shall be the property of the Developer during the Development, Construction and Sales Period and, thereafter, of the Association.

(i) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the Association and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall be approved by the affirmative vote of more than sixty percent (60%) of all of Co-owners, unless same is a letter of credit and/or appeal bond for litigation or is for a purchase of personal property with a value of $15,000.00 or less.

(j) To make and enforce reasonable rules and regulations in accordance with Article VI, Section 9 of these Bylaws and such other applicable provisions and to make and enforce resolutions and policies in furtherance of any or all of the purposes of the Association or of the Condominium Documents.

(k) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or by the Condominium Documents required to be performed by the Board.

(l) To make rules and regulations and/or to enter into agreements with institutional lenders the purposes of which are to obtain mortgage financing for Unit Co-owners which is acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and/or any other agency of the Federal government or the State of Michigan or to satisfy the requirements of the United States Department of Housing and Urban Development.

(m) To enforce the provisions of the Condominium Documents.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto, but which shall not be a Co-owner or resident or affiliated with a Co-owner or resident) at a reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or to have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon ninety (90) days written notice thereof to the other party, and no such contract shall violate the provisions of Section 55 of the Act.

Section 6. Vacancies. Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any director whom it is permitted in the first instance, under these Bylaws, to designate. Each person so elected shall serve until the next annual meeting of members, at which the Co-owners shall elect a director to serve the balance of the term of such directorship. Vacancies among non-Developer Co-owner elected directors that occur prior to the Transitional Control Date may be filled only through election by non-Developer Co-owners and shall be filled in the manner specified in Section 2(b) of this Article.

Section 7. Removal. Except for directors appointed by the Developer, at any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one (1) or more of the directors may be removed with or without cause by the affirmative vote of more than fifty percent (50%) of all of the Co-owners eligible to vote and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the directors appointed by it at any time or from time to time in its sole discretion. Any director elected by the non-Developer Co-owners to serve before the First Annual Meeting of members may be removed before the First Annual Meeting by the non-Developer Co-owners in the same manner set forth in this Section 7 above for removal of directors generally.

Section 8. First Meeting. The first meeting of the newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors

were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time-to-time by a majority of the Board, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each director, personally, by mail, telephone or telegraph, at least five (5) days prior to the date named for such meeting. In lieu thereof, said notice may also be hand delivered or electronically transmitted, i.e., via facsimile, E-mail or the like, so long as written or electronic confirmation of receipt of the notice is returned by the director.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President upon three (3) days' notice to each director, given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. In lieu thereof, said notice may also be hand delivered or electronically transmitted, i.e. via facsimile, E-mail or the like, so long as written or electronic confirmation of receipt of the notice is returned by the director. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those persons may adjourn the meeting to a subsequent time upon twenty-four (24) hours' prior written notice delivered to all directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for purposes of determining a quorum.

Section 13. Closing of Board of Directors' Meetings to Members; Privileged Minutes. The Board of Directors, in its discretion, may close a portion or all of any meeting of the Board of Directors to the members of the Association or may permit members of the Association to attend a portion or all of any meeting of the Board of Directors. Any member of the Association shall have the right to inspect, and make copies of, the minutes of the meetings of the Board of Directors; provided, however, that no member of the Association shall be entitled to review or copy any minutes of meetings of the Board of Directors to the extent that said minutes reference privileged communications between the Board of Directors and counsel for the Association, or any other matter to which a privilege against disclosure pertains under Michigan Statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules.

Section 14. Action by Written Consent. Any action permitted to be taken by the Board of Directors at a meeting of the Board shall be valid if consented to in writing by the requisite majority of the Board of Directors.

Section 15. Actions of First Board of Directors Binding. All of the actions (including, without limitation, the adoption of these Bylaws and any rules and regulations, policies or resolutions for the Association, and any undertakings or contracts entered into with others on behalf of the Association) of the First Board of Directors of the Association named in its Articles of Incorporation or any successors thereto appointed by the Developer before the First Annual 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 First Annual Meeting of members or at any subsequent annual meeting of members, provided that such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium Documents.

Section 16. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE XIII
OFFICERS

Section 1. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, and a Vice-President, Secretary and Treasurer. Both the President and the Vice-President must be members of the Association; other officers may, but need not be, members of the Association. Any member serving as an officer shall be in good standing of the Association. The directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two (2) offices, except the offices of President and Vice-President, may be held by one (1) person. Officers shall be compensated only upon the affirmative vote of sixty percent (60%) of all Co-owners.

Section 2. Election. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer proposed to be removed shall be given an opportunity to be heard at the meeting.

Section 4. President. The President shall be the chief executive officer of the Association and shall preside and may vote at all meetings of the Association and Board of Directors. The President shall have all the general powers and duties usually vested in the office of the President of an association, including, but not limited to, the power to appoint from among the members of the Association from time-to-time such committees as the President deems appropriate to assist in the conduct of the Association's affairs.

Section 5. Vice-President. The Vice-President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time-to-time be imposed upon the Vice-President by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; the Secretary shall have charge of the corporate seal, if any, and of such books and papers as the Board of Directors may direct; the Secretary shall, in general, perform all duties incident to the office of the Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time-to-time, be designated by the Board of Directors.

Section 8. Duties. The officers shall have such other duties, powers and responsibilities as, from time-to-time, shall be authorized by the Board of Directors.

ARTICLE XIV
SEAL

The Association may (but need not) have a seal. If the Board determines that the Association shall have a seal, it shall have inscribed thereon the name of the Association, the words "corporate seal", and "Michigan".

ARTICLE XV
FINANCE

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. The non-privileged Association books, records, and contracts concerning the administration and operation of the Condominium shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours, subject to such reasonable inspection procedures as may be established by the Board of Directors from time to time. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The cost of any such audit and any accounting expenses shall be expenses of administration.

Section 2. Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the directors. Absent such determination by the Board of Directors, the fiscal year of the Association shall be the calendar year. The commencement date of the fiscal year shall be subject to change by the directors for accounting reasons or other good cause.

Section 3. Depositories. The funds of the Association shall be initially deposited in such bank or savings association as may be designated by the directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time-to-time. The funds may be invested from time-to-time in accounts or deposit certificates of such banks or savings associations as are insured by the Federal Deposit Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government or in such other depositories as may be adequately insured in the discretion of the Board of Directors.

ARTICLE XVI
INDEMNIFICATION OF OFFICERS AND DIRECTORS; DIRECTORS' AND OFFICERS' INSURANCE

Section 1. Indemnification of Directors and Officers. Every director and every officer of the Association (including the First Board of Directors and any other director and/or officer of the Association appointed by the Developer) shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and amounts paid in settlement incurred by or imposed upon him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, including actions by or in the right of the Association, to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except as otherwise prohibited by law; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Association (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification that it has approved, the Association shall notify all Co-owners thereof.

Section 2. Directors' and Officers' Insurance. The Association shall provide liability insurance for every director and officer of the Association for the same purposes provided above in Section 1 and in such amounts as may reasonably insure against potential liability arising out of the performance of their respective duties. With the prior written consent of the Association, a director or an officer of the Association may waive any liability insurance for such director's or officer's personal benefit or other applicable statutory indemnification. No director or officer shall collect for the same expense or liability under Section 1 above and under this

Section 2; however, to the extent the liability insurance provided herein to a director or officer was not waived by such director or officer and is inadequate to pay any expenses or liabilities otherwise properly indemnifiable under the terms hereof, a director or officer shall be reimbursed or indemnified only for such excess amounts under Section 1 hereof or other applicable statutory indemnification.

ARTICLE XVII
AMENDMENTS

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors acting upon the vote of the majority of the directors or by a written instrument signed by one-third (1/3) or more of the Co-owners.

Section 2. Meeting. Upon any such amendment being proposed, a meeting to consider the same shall be duly called in accordance with the provisions of these Bylaws.

Section 3. Voting. These Bylaws may be amended by the affirmative vote of not less than sixty-six and two-thirds percent (66-2/3%) of all Co-owners entitled to vote as of the record date for such vote.

Section 4. By Developer. Prior to one (1) year after the expiration of the Development, Construction and Sales Period, these Bylaws may be amended by the Developer without the necessity of approval by any other person so long as any such amendment does not materially alter or change the rights of a Co-owner or mortgagee, including, but not limited to, amendments for the purpose of facilitating conventional mortgage loan financing for existing or prospective Co-owners and to enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and/or any other agency of the Federal government or the State of Michigan, to comply with amendments to the Act and to correct errors in these Bylaws. An amendment which does not materially affect any rights of a Co-owner or mortgagee shall not include any amendment which is described in Section 1, Paragraphs A-C, both inclusive, of Article XI of the Master Deed.

Section 5. Mortgagee Approval. Notwithstanding any provision of the Condominium Documents to the contrary, mortgagees of Units are entitled to vote on amendments to these Bylaws only when required by and in the manner permitted by the Act. Without limiting the generality of the foregoing statement, except with respect to matters upon which first mortgagees are entitled to vote pursuant to Section 90a of the Act, being MCL 559.190a, the Developer, prior to the Transitional Control Date, and thereafter the Association, may amend these Bylaws without the consent of mortgagees if the amendment does not materially alter or change the rights of first mortgagees generally. If first mortgagee approval of a proposed amendment to these Bylaws is required by the Act, the amendment shall require the approval of sixty-six and two-thirds percent (66-2/3%) of the first mortgagees of Units entitled to vote thereon with each first mortgagee to have one (1) vote for each mortgage held. First mortgagees are not required to appear at any meeting of Co-owners but their approval shall be solicited through written ballots in accordance with the procedures provided in the Act.

Section 6. When Effective. Any amendment to these Bylaws shall become effective upon the recording of such amendment in the office of the Livingston County Register of Deeds.

Section 7. Binding. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XVIII
COMPLIANCE

The Association of Co-owners and all present or future Co-owners, tenants, land contract purchasers, or any other persons acquiring an interest in or using the facilities of the Condominium in any manner are subject to and shall comply with the Act and with the Condominium Documents, and the mere acquisition, occupancy or

rental of any Unit or an interest therein or the utilization of or entry upon the Condominium Premises shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern. In the event any provision of these Bylaws conflicts with any provision of the Master Deed, the provisions of the Master Deed shall govern.

ARTICLE XIX
DEFINITIONS

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

ARTICLE XX
REMEDIES FOR DEFAULT

Section 1. Relief Available. Any default by a Co-owner shall entitle the Association or another Co-owner or Co-owners to the following relief:

(a) Legal Action. Failure to comply with the Act, or with any of the terms and provisions of the Condominium Documents or any of the rules and regulations promulgated by the Board of Directors, shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

(b) Recovery of Costs. In the event of a default of the Condominium Documents by a Co-owner, nonCo-owner resident, lessee, tenant and guest, the Association shall be entitled to recover from the Co-owner, nonCo-owner resident, lessee, tenant and guest, the pre-litigation costs and attorney fees incurred in obtaining their compliance with the Condominium Documents. In any proceeding arising because of an alleged default by any Co-owner, nonCo-owner, lessee, tenant and guest, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees, (not limited to statutory fees) as may be determined by the Court, but in no event shall any Co-owner be entitled to recover such attorney's fees. The Association, if successful, also is entitled to recoup the costs and attorney's fees incurred in defending any claim, counterclaim or other matter from the Co-owner asserting the claim, counterclaim or other matter.

(c) Removal and Abatement. A violation of any of the provisions of the Condominium Documents, including the rules and regulations promulgated by the Board of Directors of the Association hereunder, shall also give the Association, or its duly authorized agents, the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents; provided, however, that judicial proceedings shall be instituted before items of construction are altered or demolished pursuant to this sub-section. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

(d) Assessment of Fines. The violation of any provision of the Condominium Documents, including any rule or regulation promulgated by the Board of Directors of the Association hereunder, by any Co-owner, or by his tenant or a nonCo-owner occupant of his Unit, in addition to the rights set forth above, shall be grounds for assessment by the Association of a monetary fine for such violation against said Co-owner. No fine may be assessed unless the rules and regulations establishing such fine have first been duly adopted by the Board of Directors and notice thereof given to all Co-owners in the same manner as prescribed in Article VI, Section 9 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owner and after an opportunity for such Co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. Upon finding a violation after an opportunity for hearing has been provided, the Board of Directors may levy a fine in such amount as it, in its discretion, deems appropriate, and/or as is set forth in the rules and regulations establishing the fine procedure. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws.

Section 2. Non-Waiver of Right. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition granted by the Condominium Documents shall not constitute a waiver by the Association or Co-owner of the right to enforce such right, provision, covenant or condition in the future.

Section 3. Cumulative Rights, Remedies, and Privileges. All rights, remedies and privileges granted to the Association or to any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 4. Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

Section 5. Article Not Applicable to Default by Developer. The term "Co-owner", when used in this Article XX with respect to the remedies of the Association and other Co-owners with respect to a Co-owner default, including, without limitation, any default under Article II herein above, shall be construed so as to exclude the Developer, and no such remedy shall be available to the Association or any Co-owner with respect to any claim that the Developer is in default in the performance of any obligation of the Developer the performance of which is due during the Development, Construction and Sales Period.

ARTICLE XXI
RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Except as may be otherwise specifically provided by the Condominium Documents, any rights and powers reserved or retained by Developer or its successors shall expire and terminate, if not sooner assigned to the Association, at the conclusion of the Development, Construction and Sales Period. The immediately preceding sentence dealing with the expiration and termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination and expiration of any real property or contract rights granted or reserved to or for the benefit of the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, litigation rights, access easements, utility easements and all other easements created and reserved in such documents), which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby.

ARTICLE XXII
SEVERABILITY

In the event any of the terms, provisions, or covenants of these Bylaws or the Condominium Documents are held to be partially or wholly invalid or unenforceable for any reason, 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.

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