EXHIBIT A

CONDOMINIUM BYLAWS

RIDGEWOOD POINTE CONDOMINIUM

ARTICLE I
ASSOCIATION OF CO-OWNERS

Section 1. Ridgewood Pointe, a condominium project located in the Township of West Bloomfield, Oakland County, 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 project in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, the Corporation Bylaws and the duly adopted rules and regulations of the Association and the laws of the State of Michigan. All co-owners in the condominium project and all persons using or entering upon or acquiring any interest in any condominium unit therein or the common elements thereof shall be subject to the provisions and terms set forth in the aforesaid condominium documents.

Section 2. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

a) Each co-owner shall be a member of the Association and no other person or entity shall be entitled to membership.

b) The share of a co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his unit in the condominium project.

c) Except as limited in these Bylaws, each co-owner shall be entitled to one vote for each unit owned when voting by number, and one vote, the value of which shall equal the total of the percentages allocated to the condominium unit owned by such co-owner as set forth in Article V of the Master Deed when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number.

d) No co-owner other than the Developer shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a condominium unit in the condominium project 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 Section 6 of this Article I. The vote of each co-owner may be cast by the individual representative designated by each such co-owner in the notice required in sub-paragraph (e) below or by a proxy given by such individual representative. The Developer shall vote only those units for which it has a certificate of occupancy.

e) Each co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and shall receive all notices and other communications from the Association on behalf of such co-owner. Such notice shall state the name and address of the individual representative designated. The number or numbers of the condominium unit or units owned by the Co-Owner and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is a co-owner. Such notice shall be signed and dated by the co-owner. The individual representative designated may be changed by the co-owner at any time by filing a new notice in the manner herein provided.

f) There shall be an annual meeting of the members of the Association commencing with the first meeting held as provided in Section 2 of this Article I. Other meetings may be provided for in the Corporation Bylaws of the Association. Notice of time, place and subject matter of all meetings as provided by the Corporate Bylaws of the Association shall be given to each co-owner by mailing the same to each individual representative designated by the respective co-owners.

g) The presence in person or by proxy of thirty-five (35%) in number and in value of the co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association except for voting on questions specifically required herein to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determing the presence of a quorum with respect to the question upon which the vote is cast.

h) Votes may be cast in person or by proxy or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies on any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

i) A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent in value of those qualified to vote and present in person or by proxy (or written vote if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may require such majority to be one of both number and value of designated voting representatives present in person, or by proxy or by written ballot if applicable, at a given meeting of the members of the Association.

j) Other provisions as to voting by members, not inconsistent with the provisions herein contained, may be set forth in the Corporation Bylaws.

Section 3. The Association shall keep books and records with a detailed account of the expenditures and receipts affecting the condominium project and its administration specifying the operating expenses of the project in accordance with the provisions of Section 54 of the Act.

The books, records and contracts concerning the administration and operation of the condominium project shall be available for examination by any of the co-owners and their mortgagees at convenient times and all books and records shall be audited or reviewed by independent accountants annually. Such audits need not be certified.

The Association shall be assessed as the person in possession for any tangible personal property of the project owned or possessed in common with the co-owners. Personal property taxes based thereon shall be treated as expenses of administration.

Expenditures affecting the administration of the project shall include costs incurred in the satisfaction of any liability arising with, caused by or connected with the common elements or the administration of the condominium project and receipts affecting the administration of the condominium project shall include all sums received as the proceeds of or pursuant to a policy of insurance securing the interest of the co-owners against liabilities or losses arising within, caused by or connected with the common elements or the administration of the condominium project.

The Association shall prepare and distribute to each co-owner at least two (2) times per year, a financial statement the contents of which shall be defined by the Association.

All books of account of the Association shall be open for inspection by the co-owners during reasonable working hours. The Association will keep current copies of the Master Deed, amendments and other condominium documents available at reasonable hours to co-owners, prospective purchasers and prospective mortgagees.

Section 4. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association except for the first Board of Directors designated in the Articles of Association and any successors thereto elected by the Developer prior to the first annual meeting of members held pursuant to Section 6 of this Article I. The number, term of office, manner of election, removal and replacement, meetings, quorum and voting requirements and other duties or provisions of or relating to Directors not inconsistent with the following shall be provided by the Corporation Bylaws.

a) The Board of Directors shall have 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. In addition to the foregoing, general duties imposed by these Bylaws or any further duties which may be imposed by a resolution of the members of the Association or which may be set forth in the Corporation Bylaws, the Board of Directors shall be responsible specifically for the following:

(1) Management and administration of the affairs of and maintenance of the condominium project and the common elements thereof.

(2) To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.

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

(4) To rebuild improvements after casualty.

(5) To contract for and employ persons, firms, corporations and other agents to assist in the operation, management, maintenance and administration of the condominium project.

(6) To acquire, maintain and improve and to buy, operate and manage, sell, convey, assign, mortgage or lease any real or personal property (including any condominium unit in the condominium and easements, rights of way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association including (but without limitation) the lease or purchase of any condominium unit in the condominium for use by a resident manager.

(7) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association and to secure the same by mortgage, pledge or other lien on the property owned by the Association; provided, however, that any such action shall also be approved by an affirmative vote of more than fifty (50%) percent of all of the members of the Association in number and in value.

(8) To make rules and regulations in accordance with Article VIII, Section 10 of these Bylaws.

(9) To establish such committee 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 committee any functions

or responsibilities which are not by law or the condominium documents required to be performed by the Board.

(10) To enforce the provisions of the condominium documents.

b) The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize including but not limited to duties listed in Section 4a) of this Article I and the Board may delegate to such management agent any other duties or powers which are not by law or the condominium documents required to be performed by or have the approval of the Board of Directors and the members of the Association. Any service contract between the Association and the Developer or its affiliates is voidable by the Board on the transitional control date or within ninety (90) days thereafter.

Any service contract which exists between the Association of co-owners and the developer or affiliates of the developer and a management contract with the developer or affiliates of the developer is voidable by the Board of Directors of the Association of Co-Owners on the transitional control date or within ninety (90) days thereafter and on thirty (30) days' notice at any time thereafter for cause.

To the extent that any management contract extends beyond one (1) year after the transitional control date, the excess period under the contract may be voided by the Board of Directors of the Association of Co-Owners by notice to the management agent at least thirty (30) days before the expiration of the one (1) year.

c) All of the actions (including without limitation) the adoption of these Bylaws and any rules and regulations for the corporation and any undertakings or contracts entered into with others on behalf of the corporation of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto elected by the Developer before the first annual meeting of the 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 or any subsequent annual meeting of members so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the condominium documents.

<u>Section 5.</u> The Association shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the condominium documents not inconsistent therewith. Officers may be compensated but only upon the affirmative vote of more than sixty (60%) percent of all co-owners in number and in value.

<u>Section 6.</u> The First Annual Meeting of the members of the Association may be convened only by the Developer and must be called no later than two (2) years from the recording of the original Master Deed. The transitional control date shall occur upon the [illegible] of the units in the project (the date of closing shall be considered the date of [illegible]

An Advisory Committee of [illegible] communication and aiding the administration of the Association of Co-Owners. That Advisory Committee shall be established no later than the transitional control date referred to in the preceding paragraph.

Section 7. The corporation shall indemnify any director or officer or former director or officer of the corporation against reasonable expenses, including attorney fees absolutely and necessarily incurred by him in connection with the defense of any civil, criminal or administrative action, suit or proceeding in which he is made a party or with which he is threatened by reason of being or having been or because of any act as such director or officer within the course of his duties or employment, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duties. The corporation may also reimburse any director or officer for the reasonable cost of settlement of any such action, suit or proceeding if it shall be found by a majority of a committee composed of the directors not involved in the matter in controversy (whether or not a quorum) that it was to the interest of the corporation that such settlement be made and that such director or officer was not guilty of negligence or misconduct. The right of indemnification herein provided shall extend to the estate, executor, administrator, guardian and conservator of any deceased or former director or officer or person who himself would have been entitled to indemnification. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such director or officer may be entitled under any statute, agreement, vote of members or otherwise. Written notice must be given co-owners of a decision to indemnify a director and said notice must be given ten (10) days prior to payment. If there has been no judicial determination as to indemnification, an opinion of independent counsel as to the propriety of indemnification must be obtained on a vote of fifty-one (51%) percent of co-owners.

ARTICLE II
ASSESSMENTS

Section 1. The Association shall be assessed as the person or entity in possession of any tangible personal property of the condominium owned or possessed in common by the co-owners and personal property taxes based thereon shall be treated as expenses of administration.

Section 2. All costs incurred by the Association in satisfaction of any liability arising within, caused by or in connection with the common elements or the administration of expenses of administration and all sums received as proceeds of or pursuant to any policy of insurance carried by the Association securing the interest of the Co-owners against liabilities or losses arising within, caused by or in connection with the common elements or administration of the condominium shall be receipts of administration.

Section 3. Assessments shall be determined in accordance with the following provisions:

a) The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the condominium project including a reasonable allowance for contingencies and reserves. 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 effect the liability of any co-owner for any existing or future assessment. The requirement of establishing and furnishing a budget shall not apply to the first Board of Directors serving prior to the first meeting of members held in accordance with Article I, Section 6 hereof. Should the Board of Directors at any time determine in the sole direction of the Board of Directors:

(1) That the assessments levied are or may prove to be insufficient to pay the cost of operation and management of the condominium, or

(2) To provide replacements of existing common elements, or

(3) To provide additions to the common elements not exceeding One Thousand ($1,000.00) Dollars annually, or

(4) In the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary or desirable.

b) Special assessments in addition to those required in sub-paragraph a) above may be made by the Board of Directors from time to time and approved by a majority of the co-owners both in number and in value, to meet other needs or requirements of the Association including but not limited to (1) assessments for capital improvements for additions of a cost not exceeding One Thousand ($1,000.00) Dollars per year, (2) assessments to purchase a condominium unit upon foreclosure of the lien for assessments described in Section 6 hereof, (3) assessments to purchase a condominium unit for use as a resident manager's apartment, or (4) assessments for any other appropriate purpose not elsewhere herein described. A vote of at least sixty (60%) percent is required for any special assessment.

<u>Section 4.</u> 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 apartment in Article V of the Master Deed without increase or decrease for the existence of any rights to the use of limited common elements pertinent to such condominium unit. Assessments shall be due and payable on the first of each month commencing with the acceptance of a Deed to a condominium unit or with the acquisition of fee simple title to a condominium unit by any other means. The payment of assessment shall be in default if such assessment or any part thereof is not paid to the Association in full on or before the due date for such payment. Assessments and defaults shall bear interest at the rate of seven (7%) percent per annum until paid in full. Each co-owner shall be and remain personally liable for the payment of all assessments pertinent to his condominium unit which may be levied while such co-owner is the owner thereof.

<u>Section 5.</u> No co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his condominium unit.

<u>Section 6.</u> The Association may enforce collection of delinquent assessments by a suit at law or a money judgment, or by foreclosure of the lien securing payment in the same manner that real estate mortgages may be foreclosed by action under Michigan Law. In an action for foreclosure a Receiver may be appointed to collect a reasonable rental for the condominium unit from the co-owner thereof or any persons claiming under him. The expenses incurred in collecting unpaid assessments including interest, cost and attorney 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 condominium unit. The Association may also discontinue the furnishing of any utilities or other services to a co-owner in default upon seven (7) days written notice to such co-owner of its intent to do so. The co-owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues.

<u>Section 7.</u> Notwithstanding any other provisions of the condominium documents, the holder of any first mortgage covering any condominium in the project which comes into possession of the condiminium pursuant to the remedies provided in the Mortgage or by Deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time that 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).

Section 8. During the period up to the time of the first annual meeting of members held in accordance with the provisions of Article I, Section 6 hereof, the developer of the condominium, even though a member of the Association, shall not be responsible for the payment of the monthly Association assessment. The developer, however, shall during the period up to the time of the first annual meeting, pay a proportionate share of the Association's current maintenance expenses actually incurred from time to time and based upon the ratio of unsold condominium units owned by the developer at the time the expenses incurred to the total number of condominium units in the condominium development. In no event shall the developer be responsible for payment until after said first annual meeting of any assessment except with respect to occupied units owned by it. "Occupied Unit" shall mean a unit used as a residence.

Section 9. Special assessments and property taxes shall be assessed against the individual condominium units identified as units of the condominium subdivision plan and not on the total property of the project or any part thereof, except for the year in which the condominium project was established subsequent to tax day. Taxes and special assessments which become a lien against the property in that year subsequent to the establishment of the condominium project shall be expenses of administration of the project and paid by the co-owners for property tax and special assessment purposes, each condominium unit shall be treated as a separate single unit of real property and shall not be combined with any other unit or units and no assessment of any fraction of any unit or combination of any unit with other units or fractions thereof shall be made, nor shall any division or split of the assessment or taxes of any single condominium unit be made notwithstanding separate or common ownership thereof. Condominium units shall be described for such purposes by reference to the Condominium unit number of the condominium subdivison plan and the caption thereof together with the Liber and Page of the county records in which the approved Master Deed is recorded. Assessments for subsequent real property improvements to a specific condominium unit shall be assessed to that condominium unit description only. For property tax and special assessment purposes each condominium unit shall be treated as a separate, single unit of real property and shall not be combined with any other unit or units, and no assessments of any fraction of any unit or combination of any unit with other units or fractions thereof shall be made, nor shall any division or split of the assessment of taxes of any single condominium unit be made notwithstanding separate or common ownership thereof.

Section 10. Sums assessed to a co-owner by the Association of Co-owners which are unpaid constitute a lien upon the unit or units in the condominium project owned by the co-owner at the time of the assessment before other liens except tax liens on the condominium unit in favor of any state of federal taxing authority and sums unpaid on a first mortgage of record, except that past due assessments which are evidenced by a notice of recorded lien have priority over a first mortgage recorded subsequent to the recording of a notice of lien. The lien upon each condominium unit owned by the co-owner shall be in the amount assessed against the condominium unit plus a proportionate share of the total of all other unpaid assessments attributable to the condominium unit no longer owned by the co-owner but which became due while the co-owner had title to the condominium unit. The lien may be foreclosed by an action or by advertisement by the Association of co-owners in the name of the condominium project on behalf of the other co-owners.

Section 11. A foreclosure proceeding may not be commenced without recordation and service of notice of lien in accordance with the following:

a) Notice of lien shall set forth:

(1) The legal description of the condominium unit or units to which the lien attaches.

(2) The name of the co-owner of record thereof.

(3) The amount due the Association of Co-owners at the date of the notice exclusive of interest, costs, attorney fees and future assessments.

b) The Notice of lien shall be in recordable form executed by an authorized representative of the Association of Co-owners and may contain other information as the Association of Co-owners may deem appropriate.

c) The Notice of lien shall be recorded in the Office of the Register of Deeds in the county in which the condominium project is located and shall be served upon the delinquent co-owner by first class mail, postage pre-paid, addressed to the last known address of the co-owner at least ten (10) days in advance of commencement of the foreclosure proceedings.

Section 12. Upon the sale or conveyance of a condominium unit all unpaid assessments against a condominium unit shall be paid out of the sales price or by the purchaser in preference over any other assessment or charges of whatever nature except the following:

a) Amounts due the state or any subdivision thereof, or any municipality for taxes and special assessments due and unpaid on the condominium unit.

b) Payments due under a first mortgage having priority thereto.

A purchaser or grantee is entitled to a written statement from the Association of Co-owners setting forth the amount of unpaid assessments against the seller or grantor, and the purchaser or grantee is not liable for nor is the condominium unit conveyed or granted subject to a lien for any unpaid assessments against the seller or grantor in excess of the amount set forth in the written statement. Unless the purchaser of grantee requests a written statement from the Association of Co-owners as provided in this Act, at least five (5) days before the sale, the purchaser or grantee shall be liable for any unpaid assessments against the condominium unit together with interest, cost and attorney fees incurred in the collection thereof.

Section 13. Any action on behalf of or against a co-owner under Section 60 of the Act shall be preceeded by a written notice to the affected co-owner of not less than ten (10) days prior to the commencement of such proceeding.

Section 14. A co-owner may not claim of services by the association or by management as the basis for non-payment of assessments.

ARTICLE III
MECHANICS LIENS

Section 1. A mechanics lien otherwise arising under Act 179 of the Public Acts of 1891, being Section 570.1 to 570.30 of the Michigan Compiled Laws shall be subject to the following limitations:

a) Except as provided in this section, a mechanics lien for work performed on a condominium unit or upon a limited common element may attach only to the condominium unit upon which the work was performed.

b) A mechanics lien for work authorized by the developer or principal contractor and performed upon the common elements may attach only to condominium units owned by the developer at the time of recording of the Statement and Account of Lien.

c) A mechanics lien for work authorized by the Association of Co-owners may attach to each condominium unit only to the proportionate extent that the co-owner of the condominium unit is required to contribute to the expenses of administration as provided by these condominium documents.

d) A mechanics lien may not arise or attach to a condiminium unit for work performed on the common elements not contracted by the developer or the Association of co-owners.

ARTICLE IV
RESERVE FUND

Section 1. The Association of co-owners shall maintain a reserve fund for major repairs and replacement of common elements in accordance with Section 105 of the Act. The co-owners' Association shall maintain a reserve fund which, at the minimum, shall equal ten (10%) percent of the Association's annual budget (minus utilities) on a non-cumulative basis. The funds contained in the reserve fund required to be established by Section 105 of the Act shall only be used for major repairs and replacement of common elements. The minimum standard required for reserves may prove to be inadequate for a particular project. The Association shall carefully analyze their project to determine if greater amounts should be set aside or if additional reserve funds established for other purposes.

ARTICLE V
ARBITRATION

Section 1. 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 the co-owners and the Association shall, upon the election and written consent of the parties to any such dispute, claims or grievances and written notice to the Association be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. The commercial arbitration rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

Section 2. No co-owner or the Association shall be precluded from petitioning the courts to resolve any such dispute, claims or grievances.

Section 3. Election by co-owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such party from litigating such dispute, claim or grievance in the courts.

ARTICLE VI
INSURANCE

Section 1. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance and workmens compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the common elements of the condominium project and such insurance other than title insurance, shall be carried and administered in accordance with the following provisions. All insurance shall be purchased by the Association for the benefit of the Association and the co-owners or their mortgagees as their interest may appear, and provisions shall be made for the issuance of a certificate of mortgagee endorsements to the mortgagees of co-owners. Each co-owner may obtain insurance coverage at his own expense upon his own condominium unit. It shall be each co-owner's responsibility to obtain insurance coverage for his personal property located within his apartment or elsewhere in the condominium and for his personal liability for occurrences within his condominium unit or upon limited common elements appurtenant to his condominium unit and also for alternative living expense in the event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association and all co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any co-owner of the Association.

b) All common elements of the condominum project shall be insured against fire and other perils covered by a standard extended coverage endorsement in an amount based upon ninety (90%) percent co-insurance and calculated against the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the Board of Directors of the Association. Such coverage shall also include interior walls within any condominium unit and the pipes, wires, conduits and ducts contained therein, and shall further include all fixtures, equipment and trim within a condominium unit which were furnished with the unit as standard items in accord with the plans and specifications thereof as are on file with the Association (or such replacement thereof as do not exceed the cost of such standard items). Any improvements made by a co-owner within his condominium unit shall be covered by insurance obtained by and at the expense of said co-owner; provided that if the Association elects to include such improvements under its insurance coverage any additional premium costs to the Association attributable thereto shall be assessed to and borne solely by said co-owner and collected as a part of the assessments against said co-owner under the provisions hereof.

c) In the event that any provisions of any co-owner shall be the cause of a fire causing damage to the common elements of the condominium project, the co-owner shall be responsible to the Association for the deductible portion as defined by the applicable insurance policy. Said deductible portion shall be an assessment against the co-owner under Article II hereof.

d) Insurance coverage shall pertain to the limited common and general elements only and shall not include coverage for personal property, furnishing, improvements or betterment of other items belonging to the individual co-owners.

e) All premiums upon insurance purchased by the Association pursuant to these By-Laws shall be expenses of administration.

f) 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 interest may appear; provided, however, whenever repair or reconstruction of the condominium shall be required as provided in Article V of these By-Laws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction.

Section 2. Each co-owner by ownership of a condominium unit in the condominium project shall be deemed to appoint the Association as his true and lawful attorney in fact to act in connection with all matter concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the condominium project, his condominium unit and the condominium elements appurtenant thereto with such insurer as may from time to time provide such insurance for the condominium project. 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 the same to the Association, the co-owners and respective mortgagees as their interest may appear (subject always to the condominium documents), to execute releases of liability and to execute all documents and do all things on behalf of such co-owner and the condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE VII
RECONSTRUCTION OR REPAIR

Section 1. If any part of the condominium project shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

a) If the damaged property is a common element or a condominium unit element, the property shall be rebuilt or repaired if any unit in the condominium is tenantable, unless it is determined that the condominium shall be terminated.

b) If the condominium is so damaged that no unit is tenantable, the damaged property shall not be rebuilt unless seventy-five (75%) percent or more of the co-owners in value and in number agree to reconstruction by vote or in writing ninety (90) days after the destruction.

Section 2. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications of the project to a condition as comparable as possible to the condition existing prior to damage unless the co-owners shall unanimously decide otherwise.

Section 3. If the damage is only to a part of a unit which is the responsibility of a co-owner to maintain and repair, it shall be the responsibility of the co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

Section 4. Each co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of his unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any common elements therein), interior trim, furniture, light fixtures and all appliances, whether free-standing or built-in. In the event damage to interior or other common elements therein is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5. If any other interior portion of a 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.

Section 5. The following provisions shall control upon any taking by eminent domain:

a) If any portion of the common element is taken by eminent domain, the award therefore shall be allocated to the co-owners in proportion to their respective undivided interest in the common elements. The Association of co-owners, acting through its Board of Directors may negotiate on behalf of all co-owners for any taking of common elements and any negotiated settlement approved by more than two-thirds (2/3) of co-owners based upon assigned voting rights shall be binding on all co-owners

b) If a condominium unit is taken by eminent domain, the undivided interest in the common elements appertaining to the condominium unit shall thence forth appertain to the remaining condominium units, being allocated to them in proportion to their respective undivided interest in the common elements. The Court shall enter a decree reflecting the reallocation of undivided interest produced thereby and the award shall include without limitation just compensation to the co-owner of the condominium unit taken for his undivided interest in the common elements as well as for the condominium unit.

c) Portions of a condominium unit are taken by eminent domain, the court shall determine the fair market value of the proportions of the condominium unit not taken. The undivided interest for each condominium unit is in the common elements appertaining to the condominium units shall be reduced in proportion to the diminution in the fair market value of the condominium unit resulting from the taking. The portions of the undivided interest in the common elements thereby divested from the co-owners of a condominium unit shall be reallocated among the other condominium units in the condominium project in proportion to their respective undivided interest in the common elements. A condominium unit partially taken shall receive a reallocation in proportion to its undivided interest as reduced by the court under this subjection. The court shall enter a decree reflecting the reallocation of undivided interest produced thereby and the award shall include just compensation to the co-owner of the condominium unit partially taken for that portion of the undivided interest in the common elements divested from the co-owner and not revested in the co-owner pursuant to sub-section (4), as well as for that portion of the condominium unit taken by eminent domain.

d) If the taking of a portion of a condominium unit makes it impractical to use the remaining portion of that condominium unit for a lawful purpose permitted by the condominium documents, then the entire undivided interest in the common elements appertaining to that condominium unit shall thence forth appertain to the remaining condominium units, being allocated to them in proportion to their respective undivided interests in the common elements. The remaining portion of that condominium unit shall thence forth be a common element. The court shall enter an order reflecting the reallocation of undivided interest produced thereby and the award shall include just compensation to the co-owner of the condominium unit for the co-owners entire undivided interest in the common elements and for the entire condominium unit.

e) Both in the Association of co-owners and liability for future expenses of administration appertaining to a condominium unit taken or partially taken by eminent domain, shall thence forth appertain to the remaining condominium units, being allocated to them in proportion to the relative voting strength in the Association of co-owners. A condominium unit partially taken shall receive a reallocation as though the voting strength in the Association of co-owners was reduced in proportion to the reduction in the undivided interest in the common elements.

<u>Section 7.</u> The Association shall not be responsible for any incidental damages.

<u>Section 8.</u> In the event of partial or complete destruction or partial or complete condemnation of the condominium project in accordance with Section 54(3) of the Act, a minimum of two-thirds of the co-owners in value and in number shall be determinative of whether to rebuild or repair the property. The rights of the co-owners and the procedures to be followed in case of partial or complete destruction shall be governed by the provisions of Section 133 of the Act.

ARTICLE VIII
RESTRICTIONS

Section 1. No condominium unit in the condominium shall be used for other than single-family residence purposes (except that persons not of the same immediate family residing together may occupy a unit with written consent of the Board of Directors which consent shall not be unreasonably withheld) and the common elements shall be used only for purposes consistent with the use of single family residences.

Section 2. A co-owner may make improvements or alterations within the interior of a condominium unit provided that said improvements or alterations do not impair the structural integrity of the structure or otherwise lessen the support of a portion of the condominium project. No co-owner shall do anything which would change the exterior appearance of a condominium unit or of any other portion of the condominium project except by the following procedure:

a) Application for such alterations or changes shall be made to the Board of Directors of the Association together with sufficient plans, drawings or renderings as may be necessary to enable the Association to understand and evaluate the proposed changes.

b) The Board of Directors shall then appoint an architectural control committee for purposes of reviewing the proposal. The members of said committee need not be members of the Board of Directors, but a Director shall not be disqualified from serving on such committee.

c) The committee may seek opinions from the co-owners of the development and shall, within a reasonable time prescribed by the Directors, render a recommendation and report to the Board of Directors.

d) The Board of Directors shall thereupon adopt a resolution either granting the permission for such alterations or denying same.

e) In the event that such application for changes are approved by the Board of Directors, it shall be subject to a written undertaking by the co-owner acknowledging that all of the improvements are to be at the co-owner's sole expense, that injury if any to the common elements will be repaired promptly by the co-owner at its sole expense and that the improvements will be completed by a date to be determined by the Board of Directors.

All proceedings under this Article shall be specifically in accordance with Section 47 of the Act.

Section 3. No immoral, improper, unlawful or offensive activity shall be carried on in any unit or upon the common elements, limited or general, nor shall anything be done which may be or become an annoyance or a nuisance to the co-owners of the condominium, nor shall any unreasonably noisy activity be carried on in any unit or on the common elements. No co-owner shall do or permit anything to be done or keep or permit to be kept in his unit or on the common elements anything that will increase the rate of insurance on the condominium without the written approval of the Association and each co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

Section 4. No animals, including household pets, shall be kept without the prior written consent of the Board of Directors of the Association. No animal may be kept or bred for any commercial purpose. Any pets permitted to be kept in the condominium shall have such care and restraint so as not to be obnoxious or offensive on account of noice, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the common elements and any animal shall at all times be attended by some responsible person while on the common elements, limited or general. No savage or dangerous animal shall be kept and any co-owner who causes any animal to be brought or kept upon the premises of the condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefor. Deposits of fecal matter shall be made only in those areas specifically designated for such purpose by the Association. 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 may, without liability to the owner thereof, remove or cause to be removed any animal from the condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered with it and may adopt such additional rules and regulations with respect to animals as it may deem proper.

Section 5. The common elements, limited or general, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in 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. The common elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. Automobiles may only be washed in areas approved by the Association. In general no activity shall be carried on nor condition maintained by a co-owner either in his condominium unit or upon the common elements, which spoils the appearance of the condominium.

Section 6. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, and porches shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the common elements.

Section 7. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers or vehicles other than automobiles may be parked or stored upon the premises of the condominium, unless approved by the Board of Directors or unless parked in an area specifically designated therefor by the Association. Commercial vehicles and trucks 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. Each co-owner shall park his car in the garage space provided therefor and shall park any additional car which he owns in the limited common element space assigned to him immediately adjoining his garage space. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the condominium premises. The Association may assign general common element parking spaces for the use of the co-owners of a particular unit or units in an equitable manner in the event that there arises a shortage of parking spaces in the condominium project. The Association can assess a rental charge for the use of unassigned garage spaces.

Section 8. No co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows or other similar dangerous weapons, projectiles or devices anywhere on or about the condominium premises.

Section 9. No signs or other advertising devices shall be displayed which are visible from the exterior of a condominium unit or on the common elements, including "For Sale" signs, without written permission from the Association and the Developer. Nothing in this section shall be construed to restrict the Developer from displaying signs or other advertising devices which in the Developer's sole discretion may be necessary or desirable for the promotion and sale of the project.

Section 10. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the common elements may be made and amended from time to time by any Board of Directors of the Association, including the First Board of Directors (or its successors elected by the Developer) prior to the first annual meeting of the entire Association held as provided in Article I, Section 6 of these Bylaws. All copies of such regulations and amendments thereto shall be furnished to all co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative or each co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all co-owners in number and in value except that the co-owners may not revoke any regulation or amendment prior to said first annual meeting of the entire Association.

Section 11. The Association or its duly authorized agents shall have access to each condominium unit from time to time, during reasonable working hours, upon notice to the co-owner thereof, as may be necessary for maintenance, repair or replacement of any of the common elements. The Association or its agents shall also have access to each 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. It shall be the responsibility of each co-owner to provide the Association means of access to his condominium unit during all periods of absence and in the event of the failure of such co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such co-owner for any necessary damage to his condominium unit caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

Section 12. Landscaping by an individual co-owner on a courtyard or patio which may be a limited common element assigned to his particular unit must receive prior written approval from the Board of Directors of the Association before installation or significant alteration.

Section 13. No unsightly condition shall be maintained upon any balcony, patio or porch and only furniture and equipment consistent with ordinary balcony, patio or porch shall be permitted to remain there during seasons when balconies, patios or porches are reasonably in use and no furniture or equipment of any kind shall be stored on balconies, patios or porches during seasons when balconies, patios or porches are not reasonably in use.

Section 14. Each co-owner shall maintain his unit and any limited common elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each co-owner shall also use due care to avoid damaging any of the common elements including, but not limited to the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any unit which are appurtenant to or which may affect any other unit. Each co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common elements by him, or his family, guests, agents, or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible co-owner in the manner provided in Article II hereof.

Section 15. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the construction and sales period as hereinafter defined, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Association and Bylaws as the same may be amended from time to time. For the purposes of this Section, the construction and sales period shall be deemed to continue so long as Developer owns any unit which he offers for sale. Until all units in the entire condominium project (including the initial state and any successive stages) are sold by Developer. Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas, reasonable parking incident to the foregoing and such access to, from and over the project as may be reasonable to enable construction and sale of the entire project by Developer. During the construction and sales period, Developer shall have full right to utilize all or any portion of the community building for office and sales purposes or any other purposes reasonably incident to the development and sale of the project; provided, however, that during such period as Developer continues to use the community building or any portion thereof for its purposes, it shall bear such portion of the expenses in maintenance of such building as are reasonable in relation to the nature and extent of its use by Developer.

Section 16. A courtyard pertinent or adjacent to any individual condominium unit shall be landscaped consistent with the decorative theme of the condominium development. No courtyard shall be designed or constructed in any manner so as to interefere in any way with the use and enjoyment of any other co-owner of his condominium unit.

No grass shall be allowed in the courtyards for Unit No. 3, 4, 5, 6, 7, 14, and 16.

ARTICLE IX
MORTGAGES

Section 1. 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 Condominium Units". The Association may, at the written request of a mortgagee of any such unit, report any unpaid assessments due from the co-owner of such unit. The Association shall give to the holder of any first mortgage covering any unit in the project written notification of any default in the performance of the obligations of the co-owner of such unit that is not cured within thirty (30) days.

Section 2. 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.

ARTICLE X
AMENDMENT

Section 1. Amendment to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third or more in number of the members or by instrument in writing signed by them.

Section 2. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with provisions of the Association By-Laws.

Section 3. These Bylaws may be amended by the Association at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of more than two-thirds (2/3) of all co-owners in number and in value.

Section 4. Prior to the first annual meeting of members, these Bylaws may be amended by the first Board of Directors upon proposal of amendments by Developer without approval from any person other than the Michigan Department of Commerce to make such amendments as shall not increase or decrease the benefits or obligations, or materially affect the rights of any member of the Association.

Section 5. Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon approval of the same by the State of Michigan and recording of such amendment in the Office of the Register of Deeds in the county where the condominium is located. Without the prior written approval of all first mortgagees interested in the project, no amendment to these Bylaws shall become effective which involved any change, direct or indirect, in Article II, Section 7, Article VII, Section 1 or Article VIII, Section 5.

Section 6. A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption.

Section 7. The cost of amendment will be charged to the person responsible for it.

ARTICLE XI
COMPLIANCE

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

ARTICLE XII
MISCELLANEOUS

Section 1. Any person designated by the Association of co-owners shall have access to each unit as necessary during reasonable hours upon notice to the occupant thereof for maintenance, repair or replacement of any of the common elements or accessible therefrom, and shall have access to each unit without notice for making emergency repairs as necessary to prevent damage to other units or the common elements or both.

Section 2. All present and future co-owners, tenants and any other persons or occupants using the facilities of the project in any manner are subject to and shall comply with the Act, the Master Deed and Bylaws and the Articles of Association, Rules and Regulations adopted by the Association of Co-Owners as is set forth in Section 65 of the Act.

Section 3. Any Co-owner including the developer desiring to rent or lease a condominium unit shall disclose that fact in writing to the Association of Co-owners at least twenty-one (21) days before leaving the condominium unit and shall supply the Association of Co-owners with a copy of the exact lease form for its review for the compliance with the Condominium Documents. Developer proposing to rent condominium units before the transitional control date shall notify either the advisory committee or each co-owner in writing. All tenants or non-co-owner occupancy shall comply with all of the conditions of the Condominium Documents and any lease of such condominium unit shall so provide.

If the Association of Co-owners determines that the tenant or non-co-owner occupant failed to comply with the conditions of the Condominium Documents, the Association of Co-Owners shall take the following action:

a) The Association shall notify the co-owner by certified mail advising of the alleged violation.

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

c) If after fifteen (15) days the Association of Co-Owners believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the co-owners on behalf of the Association of Co-owners that is under the control of the Developer an action for eviction against the tenant or non-co-owner occupancy and simultaneously for money damages in the same action against the co-owner and tenant or non-co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this section may be by summary proceedings. The Association of Co-owners may hold both the tenant and the co-owner liable for any damages caused by the co-owner or tenant in connection with the condominium unit.

When a co-owner is in arrearage to the Association of Co-owners for assessments, the Association of Co-owners may give written notice of the arrearage to a tenant occupying a co-owner's condominium unit under a lease or rental agreement, and that tenant after receiving such notice shall deduct from rental payments due the co-owner the arrearage and future assessments as they fall due and pay them to the Association of Co-owners. The deduction shall not be a breach of the rental agreement or lease by the tenant.

Section 4. Where there has been no judicial determination as to indemnification of the Association's Directors, an opinion of independent counsel as to the propriety of indemnification shall be obtained if a majority of the co-owners vote to procure such opinion.

ARTICLE XIII
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 XIV
REMEDIES FOR DEFAULT

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

a) Failure to comply with any of the terms or provisions of the Condominium Documents 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) In any proceeding arising because of an alleged default by any co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the Court, but in no event shall any co-owner be entitled to recover such attorneys' fees.

c) The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common elements, limited or general, or into any unit, where reasonably necessary and summarily remove and abate, at the expense of the co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.

Section 2. The failure of the Association or of any co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such co-owner to enforce such right, provisions, covenant or condition in the future.

Section 3. All rights, remedies and privileges granted to the Association or any co-owner or co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude 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. The Association may only levy fines with proper notice and hearing.

ARTICLE XV
SEVERABILITY

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

EXHIBIT A

CONDOMINIUM BYLAWS

RIDGEWOOD POINTE CONDOMINIUM

ARTICLE I
ASSOCIATION OF CO-OWNERS

Section 1. Ridgewood Pointe, a condominium project located in the Township of West Bloomfield, Oakland County, 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 project in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, the Corporation Bylaws and the duly adopted rules and regulations of the Association and the laws of the State of Michigan. All co-owners in the condominium project and all persons using or entering upon or acquiring any interest in any condominium unit therein or the common elements thereof shall be subject to the provisions and terms set forth in the aforesaid condominium documents.

Section 2. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

a) Each co-owner shall be a member of the Association and no other person or entity shall be entitled to membership.

b) The share of a co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his unit in the condominium project.

c) Except as limited in these Bylaws, each co-owner shall be entitled to one vote for each unit owned when voting by number, and one vote, the value of which shall equal the total of the percentages allocated to the condominium unit owned by such co-owner as set forth in Article V of the Master Deed when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number.

d) No co-owner other than the Developer shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a condominium unit in the condominium project 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 Section 6 of this Article I. The vote of each co-owner may be cast by the individual representative designated by each such co-owner in the notice required in sub-paragraph (e) below or by a proxy given by such individual representative. The Developer shall vote only those units for which it has a certificate of occupancy.

e) Each co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and shall receive all notices and other communications from the Association on behalf of such co-owner. Such notice shall state the name and address of the individual representative designated. The number or numbers of the condominium unit or units owned by the Co-Owner and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is a co-owner. Such notice shall be signed and dated by the co-owner. The individual representative designated may be changed by the co-owner at any time by filing a new notice in the manner herein provided.

f) There shall be an annual meeting of the members of the Association commencing with the first meeting held as provided in Section 2 of this Article I. Other meetings may be provided for in the Corporation Bylaws of the Association. Notice of time, place and subject matter of all meetings as provided by the Corporate Bylaws of the Association shall be given to each co-owner by mailing the same to each individual representative designated by the respective co-owners.

g) The presence in person or by proxy of thirty-five (35%) in number and in value of the co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association except for voting on questions specifically required herein to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determing the presence of a quorum with respect to the question upon which the vote is cast.

h) Votes may be cast in person or by proxy or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies on any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

i) A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent in value of those qualified to vote and present in person or by proxy (or written vote if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may require such majority to be one of both number and value of designated voting representatives present in person, or by proxy or by written ballot if applicable, at a given meeting of the members of the Association.

j) Other provisions as to voting by members, not inconsistent with the provisions herein contained, may be set forth in the Corporation Bylaws.

Section 3. The Association shall keep books and records with a detailed account of the expenditures and receipts affecting the condominium project and its administration specifying the operating expenses of the project in accordance with the provisions of Section 54 of the Act.

The books, records and contracts concerning the administration and operation of the condominium project shall be available for examination by any of the co-owners and their mortgagees at convenient times and all books and records shall be audited or reviewed by independent accountants annually. Such audits need not be certified.

The Association shall be assessed as the person in possession for any tangible personal property of the project owned or possessed in common with the co-owners. Personal property taxes based thereon shall be treated as expenses of administration.

Expenditures affecting the administration of the project shall include costs incurred in the satisfaction of any liability arising with, caused by or connected with the common elements or the administration of the condominium project and receipts affecting the administration of the condominium project shall include all sums received as the proceeds of or pursuant to a policy of insurance securing the interest of the co-owners against liabilities or losses arising within, caused by or connected with the common elements or the administration of the condominium project.

The Association shall prepare and distribute to each co-owner at least two (2) times per year, a financial statement the contents of which shall be defined by the Association.

All books of account of the Association shall be open for inspection by the co-owners during reasonable working hours. The Association will keep current copies of the Master Deed, amendments and other condominium documents available at reasonable hours to co-owners, prospective purchasers and prospective mortgagees.

Section 4. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association except for the first Board of Directors designated in the Articles of Association and any successors thereto elected by the Developer prior to the first annual meeting of members held pursuant to Section 6 of this Article I. The number, term of office, manner of election, removal and replacement, meetings, quorum and voting requirements and other duties or provisions of or relating to Directors not inconsistent with the following shall be provided by the Corporation Bylaws.

a) The Board of Directors shall have 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. In addition to the foregoing, general duties imposed by these Bylaws or any further duties which may be imposed by a resolution of the members of the Association or which may be set forth in the Corporation Bylaws, the Board of Directors shall be responsible specifically for the following:

(1) Management and administration of the affairs of and maintenance of the condominium project and the common elements thereof.

(2) To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.

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

(4) To rebuild improvements after casualty.

(5) To contract for and employ persons, firms, corporations and other agents to assist in the operation, management, maintenance and administration of the condominium project.

(6) To acquire, maintain and improve and to buy, operate and manage, sell, convey, assign, mortgage or lease any real or personal property (including any condominium unit in the condominium and easements, rights of way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association including (but without limitation) the lease or purchase of any condominium unit in the condominium for use by a resident manager.

(7) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association and to secure the same by mortgage, pledge or other lien on the property owned by the Association; provided, however, that any such action shall also be approved by an affirmative vote of more than fifty (50%) percent of all of the members of the Association in number and in value.

(8) To make rules and regulations in accordance with Article VIII, Section 10 of these Bylaws.

(9) To establish such committee 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 committee any functions

or responsibilities which are not by law or the condominium documents required to be performed by the Board.

(10) To enforce the provisions of the condominium documents.

b) The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize including but not limited to duties listed in Section 4a) of this Article I and the Board may delegate to such management agent any other duties or powers which are not by law or the condominium documents required to be performed by or have the approval of the Board of Directors and the members of the Association. Any service contract between the Association and the Developer or its affiliates is voidable by the Board on the transitional control date or within ninety (90) days thereafter.

Any service contract which exists between the Association of co-owners and the developer or affiliates of the developer and a management contract with the developer or affiliates of the developer is voidable by the Board of Directors of the Association of Co-Owners on the transitional control date or within ninety (90) days thereafter and on thirty (30) days' notice at any time thereafter for cause.

To the extent that any management contract extends beyond one (1) year after the transitional control date, the excess period under the contract may be voided by the Board of Directors of the Association of Co-Owners by notice to the management agent at least thirty (30) days before the expiration of the one (1) year.

c) All of the actions (including without limitation) the adoption of these Bylaws and any rules and regulations for the corporation and any undertakings or contracts entered into with others on behalf of the corporation of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto elected by the Developer before the first annual meeting of the 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 or any subsequent annual meeting of members so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the condominium documents.

Section 5. The Association shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the condominium documents not inconsistent therewith. Officers may be compensated but only upon the affirmative vote of more than sixty (60%) percent of all co-owners in number and in value.

Section 6. The First Annual Meeting of the members of the Association may be convened only by the Developer and must be called no later than two (2) years from the recording of the original Master Deed. The transitional control date shall occur upon the sale of fifty-one (51%) percent of the units in the project (the date of closing shall be considered the date of sale).

[illegible] communication and aiding the administration of the Association of Co-Owners. [illegible] Advisory Committee shall be established no later than the transitional control date referred to in the preceding paragraph.

Section 7. The corporation shall indemnify any director or officer or former director or officer of the corporation against reasonable expenses, including attorney fees absolutely and necessarily incurred by him in connection with the defense of any civil, criminal or administrative action, suit or proceeding in which he is made a party or with which he is threatened by reason of being or having been or because of any act as such director or officer within the course of his duties or employment, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duties. The corporation may also reimburse any director or officer for the reasonable cost of settlement of any such action, suit or proceeding if it shall be found by a majority of a committee composed of the directors not involved in the matter in controversy (whether or not a quorum) that it was to the interest of the corporation that such settlement be made and that such director or officer was not guilty of negligence or misconduct. The right of indemnification herein provided shall extend to the estate, executor, administrator, guardian and conservator of any deceased or former director or officer or person who himself would have been entitled to indemnification. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such director or officer may be entitled under any statute, agreement, vote of members or otherwise. Written notice must be given co-owners of a decision to indemnify a director and said notice must be given ten (10) days prior to payment. If there has been no judicial determination as to indemnification, an opinion of independent counsel as to the propriety of indemnification must be obtained on a vote of fifty-one (51%) percent of co-owners.

ARTICLE II
ASSESSMENTS

Section 1. The Association shall be assessed as the person or entity in possession of any tangible personal property of the condominium owned or possessed in common by the co-owners and personal property taxes based thereon shall be treated as expenses of administration.

Section 2. All costs incurred by the Association in satisfaction of any liability arising within, caused by or in connection with the common elements or the administration of expenses of administration and all sums received as proceeds of or pursuant to any policy of insurance carried by the Association securing the interest of the Co-owners against liabilities or losses arising within, caused by or in connection with the common elements or administration of the condominium shall be receipts of administration.

Section 3. Assessments shall be determined in accordance with the following provisions:

a) The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the condominium project including a reasonable allowance for contingencies and reserves. 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 effect the liability of any co-owner for any existing or future assessment. The requirement of establishing and furnishing a budget shall not apply to the first Board of Directors serving prior to the first meeting of members held in accordance with Article I, Section 6 hereof. Should the Board of Directors at any time determine in the sole direction of the Board of Directors:

(1) That the assessments levied are or may prove to be insufficient to pay the cost of operation and management of the condominium, or

(2) To provide replacements of existing common elements, or

(3) To provide additions to the common elements not exceeding One Thousand ($1,000.00) Dollars annually, or

(4) In the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary or desirable.

b) Special assessments in addition to those required in sub-paragraph a) above may be made by the Board of Directors from time to time and approved by a majority of the co-owners both in number and in value, to meet other needs or requirements of the Association including but not limited to (1) assessments for capital improvements for additions of a cost not exceeding One Thousand ($1,000.00) Dollars per year, (2) assessments to purchase a condominium unit upon foreclosure of the lien for assessments described in Section 6 hereof, (3) assessments to purchase a condominium unit for use as a resident manager's apartment, or (4) assessments for any other appropriate purpose not elsewhere herein described. A vote of at least sixty (60%) percent is required for any special assessment.

Section 4. 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 apartment in Article V of the Master Deed without increase or decrease for the existence of any rights to the use of limited common elements pertinent to such condominium unit. Assessments shall be due and payable on the first of each month commencing with the acceptance of a Deed to a condominium unit or with the acquisition of fee simple title to a condominium unit by any other means. The payment of assessment shall be in default if such assessment or any part thereof is not paid to the Association in full on or before the due date for such payment. Assessments and defaults shall bear interest at the rate of seven (7%) percent per annum until paid in full. Each co-owner shall be and remain personally liable for the payment of all assessments pertinent to his condominium unit which may be levied while such co-owner is the owner thereof.

Section 5. No co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his condominium unit.

Section 6. The Association may enforce collection of delinquent assessments by a suit at law or a money judgment, or by foreclosure of the lien securing payment in the same manner that real estate mortgages may be foreclosed by action under Michigan Law. In an action for foreclosure a Receiver may be appointed to collect a reasonable rental for the condominium unit from the co-owner thereof or any persons claiming under him. The expenses incurred in collecting unpaid assessments including interest, cost and attorney 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 condominium unit. The Association may also discontinue the furnishing of any utilities or other services to a co-owner in default upon seven (7) days written notice to such co-owner of its intent to do so. The co-owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues.

Section 7. Notwithstanding any other provisions of the condominium documents, the holder of any first mortgage covering any condominium in the project which comes into possession of the condiminium pursuant to the remedies provided in the Mortgage or by Deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time that 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).

Section 8. During the period up to the time of the first annual meeting of members held in accordance with the provisions of Article I, Section 6 hereof, the developer of the condominium, even though a member of the Association, shall not be responsible for the payment of the monthly Association assessment. The developer, however, shall during the period up to the time of the first annual meeting, pay a proportionate share of the Association's current maintenance expenses actually incurred from time to time and based upon the ratio of unsold condominium units owned by the developer at the time the expenses incurred to the total number of condominium units in the condominium development. In no event shall the developer be responsible for payment until after said first annual meeting of any assessment except with respect to occupied units owned by it. "Occupied Unit" shall mean a unit used as a residence.

Section 9. Special assessments and property taxes shall be assessed against the individual condominium units identified as units of the condominium subdivision plan and not on the total property of the project or any part thereof, except for the year in which the condominium project was established subsequent to tax day. Taxes and special assessments which become a lien against the property in that year subsequent to the establishment of the condominium project shall be expenses of administration of the project and paid by the co-owners for property tax and special assessment purposes, each condominium unit shall be treated as a separate single unit of real property and shall not be combined with any other unit or units and no assessment of any fraction of any unit or combination of any unit with other units or fractions thereof shall be made, nor shall any division or split of the assessment or taxes of any single condominium unit be made notwithstanding separate or common ownership thereof. Condominium units shall be described for such purposes by reference to the Condominium unit number of the condominium subdivison plan and the caption thereof together with the Liber and Page of the county records in which the approved Master Deed is recorded. Assessments for subsequent real property improvements to a specific condominium unit shall be assessed to that condominium unit description only. For property tax and special assessment purposes each condominium unit shall be treated as a separate, single unit of real property and shall not be combined with any other unit or units, and no assessments of any fraction of any unit or combination of any unit with other units or fractions thereof shall be made, nor shall any division or split of the assessment of taxes of any single condominium unit be made notwithstanding separate or common ownership thereof.

Section 10. Sums assessed to a co-owner by the Association of Co-owners which are unpaid constitute a lien upon the unit or units in the condominium project owned by the co-owner at the time of the assessment before other liens except tax liens on the condominium unit in favor of any state of federal taxing authority and sums unpaid on a first mortgage of record, except that past due assessments which are evidenced by a notice of recorded lien have priority over a first mortgage recorded subsequent to the recording of a notice of lien. The lien upon each condominium unit owned by the co-owner shall be in the amount assessed against the condominium unit plus a proportionate share of the total of all other unpaid assessments attributable to the condominium unit no longer owned by the co-owner but which became due while the co-owner had title to the condominium unit. The lien may be foreclosed by an action or by advertisement by the Association of co-owners in the name of the condominium project on behalf of the other co-owners.

Section 11. A foreclosure proceeding may not be commenced without recordation and service of notice of lien in accordance with the following:

a) Notice of lien shall set forth:

(1) The legal description of the condominium unit or units to which the lien attaches.

(2) The name of the co-owner of record thereof.

(3) The amount due the Association of Co-owners at the date of the notice exclusive of interest, costs, attorney fees and future assessments.

b) The Notice of lien shall be in recordable form executed by an authorized representative of the Association of Co-owners and may contain other information as the Association of Co-owners may deem appropriate.

c) The Notice of lien shall be recorded in the Office of the Register of Deeds in the county in which the condominium project is located and shall be served upon the delinquent co-owner by first class mail, postage pre-paid, addressed to the last known address of the co-owner at least ten (10) days in advance of commencement of the foreclosure proceedings.

Section 12. Upon the sale or conveyance of a condominium unit all unpaid assessments against a condominium unit shall be paid out of the sales price or by the purchaser in preference over any other assessment or charges of whatever nature except the following:

a) Amounts due the state or any subdivision thereof, or any municipality for taxes and special assessments due and unpaid on the condominium unit.

b) Payments due under a first mortgage having priority thereto.

A purchaser or grantee is entitled to a written statement from the Association of Co-owners setting forth the amount of unpaid assessments against the seller or grantor, and the purchaser or grantee is not liable for nor is the condominium unit conveyed or granted subject to a lien for any unpaid assessments against the seller or grantor in excess of the amount set forth in the written statement. Unless the purchaser of grantee requests a written statement from the Association of Co-owners as provided in this Act, at least five (5) days before the sale, the purchaser or grantee shall be liable for any unpaid assessments against the condominium unit together with interest, cost and attorney fees incurred in the collection thereof.

Section 13. Any action on behalf of or against a co-owner under Section 60 of the Act shall be preceeded by a written notice to the affected co-owner of not less than ten (10) days prior to the commencement of such proceeding.

Section 14. A co-owner may not claim of services by the association or by management as the basis for non-payment of assessments.

ARTICLE III
MECHANICS LIENS

Section 1. A mechanics lien otherwise arising under Act 179 of the Public Acts of 1891, being Section 570.1 to 570.30 of the Michigan Compiled Laws shall be subject to the following limitations:

a) Except as provided in this section, a mechanics lien for work performed on a condominium unit or upon a limited common element may attach only to the condominium unit upon which the work was performed.

b) A mechanics lien for work authorized by the developer or principal contractor and performed upon the common elements may attach only to condominium units owned by the developer at the time of recording of the Statement and Account of Lien.

c) A mechanics lien for work authorized by the Association of Co-owners may attach to each condominium unit only to the proportionate extent that the co-owner of the condominium unit is required to contribute to the expenses of administration as provided by these condominium documents.

d) A mechanics lien may not arise or attach to a condiminium unit for work performed on the common elements not contracted by the developer or the Association of co-owners.

ARTICLE IV
RESERVE FUND

Section 1. The Association of co-owners shall maintain a reserve fund for major repairs and replacement of common elements in accordance with Section 105 of the Act. The co-owners' Association shall maintain a reserve fund which, at the minimum, shall equal ten (10%) percent of the Association's annual budget (minus utilities) on a non-cumulative basis. The funds contained in the reserve fund required to be established by Section 105 of the Act shall only be used for major repairs and replacement of common elements. The minimum standard required for reserves may prove to be inadequate for a particular project. The Association shall carefully analyze their project to determine if greater amounts should be set aside or if additional reserve funds established for other purposes.

ARTICLE V
ARBITRATION

Section 1. 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 the co-owners and the Association shall, upon the election and written consent of the parties to any such dispute, claims or grievances and written notice to the Association be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. The commercial arbitration rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

Section 2. No co-owner or the Association shall be precluded from petitioning the courts to resolve any such dispute, claims or grievances.

Section 3. Election by co-owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such party from litigating such dispute, claim or grievance in the courts.

ARTICLE VI
INSURANCE

Section 1. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance and workmens compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the common elements of the condominium project and such insurance other than title insurance, shall be carried and administered in accordance with the following provisions. All insurance shall be purchased by the Association for the benefit of the Association and the co-owners or their mortgagees as their interest may appear, and provisions shall be made for the issuance of a certificate of mortgagee endorsements to the mortgagees of co-owners. Each co-owner may obtain insurance coverage at his own expense upon his own condominium unit. It shall be each co-owner's responsibility to obtain insurance coverage for his personal property located within his apartment or elsewhere in the condominium and for his personal liability for occurrences within his condominium unit or upon limited common elements appurtenant to his condominium unit and also for alternative living expense in the event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association and all co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any co-owner of the Association.

b) All common elements of the condominum project shall be insured against fire and other perils covered by a standard extended coverage endorsement in an amount based upon ninety (90%) percent co-insurance and calculated against the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the Board of Directors of the Association. Such coverage shall also include interior walls within any condominium unit and the pipes, wires, conduits and ducts contained therein, and shall further include all fixtures, equipment and trim within a condominium unit which were furnished with the unit as standard items in accord with the plans and specifications thereof as are on file with the Association (or such replacement thereof as do not exceed the cost of such standard items). Any improvements made by a co-owner within his condominium unit shall be covered by insurance obtained by and at the expense of said co-owner; provided that if the Association elects to include such improvements under its insurance coverage any additional premium costs to the Association attributable thereto shall be assessed to and borne solely by said co-owner and collected as a part of the assessments against said co-owner under the provisions hereof.

c) In the event that any provisions of any co-owner shall be the cause of a fire causing damage to the common elements of the condominium project, the co-owner shall be responsible to the Association for the deductible portion as defined by the applicable insurance policy. Said deductible portion shall be an assessment against the co-owner under Article II hereof.

d) Insurance coverage shall pertain to the limited common and general elements only and shall not include coverage for personal property, furnishing, improvements or betterment of other items belonging to the individual co-owners.

e) All premiums upon insurance purchased by the Association pursuant to these By-Laws shall be expenses of administration.

f) 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 interest may appear; provided, however, whenever repair or reconstruction of the condominium shall be required as provided in Article V of these By-Laws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction.

<u>Section 2.</u> Each co-owner by ownership of a condominium unit in the condominium project shall be deemed to appoint the Association as his true and lawful attorney in fact to act in connection with all matter concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the condominium project, his condominium unit and the condominium elements appurtenant thereto with such insurer as may from time to time provide such insurance for the condominium project. 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 the same to the Association, the co-owners and respective mortgagees as their interest may appear (subject always to the condominium documents), to execute releases of liability and to execute all documents and do all things on behalf of such co-owner and the condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE VII
RECONSTRUCTION OR REPAIR

Section 1. If any part of the condominium project shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

a) If the damaged property is a common element or a condominium unit element, the property shall be rebuilt or repaired if any unit in the condominium is tenantable, unless it is determined that the condominium shall be terminated.

b) If the condominium is so damaged that no unit is tenantable, the damaged property shall not be rebuilt unless seventy-five (75%) percent or more of the co-owners in value and in number agree to reconstruction by vote or in writing ninety (90) days after the destruction.

Section 2. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications of the project to a condition as comparable as possible to the condition existing prior to damage unless the co-owners shall unanimously decide otherwise.

Section 3. If the damage is only to a part of a unit which is the responsibility of a co-owner to maintain and repair, it shall be the responsibility of the co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

Section 4. Each co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of his unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any common elements therein), interior trim, furniture, light fixtures and all appliances, whether free-standing or built-in. In the event damage to interior or other common elements therein is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5. If any other interior portion of a 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.

Section 5. The following provisions shall control upon any taking by eminent domain:

a) If any portion of the common element is taken by eminent domain, the award therefore shall be allocated to the co-owners in proportion to their respective undivided interest in the common elements. The Association of co-owners, acting through its Board of Directors may negotiate on behalf of all co-owners for any taking of common elements and any negotiated settlement approved by more than two-thirds (2/3) of co-owners based upon assigned voting rights shall be binding on all co-owners

b) If a condominium unit is taken by eminent domain, the undivided interest in the common elements appertaining to the condominium unit shall thence forth appertain to the remaining condominium units, being allocated to them in proportion to their respective undivided interest in the common elements. The Court shall enter a decree reflecting the reallocation of undivided interest produced thereby and the award shall include without limitation just compensation to the co-owner of the condominium unit taken for his undivided interest in the common elements as well as for the condominium unit.

c) Portions of a condominium unit are taken by eminent domain, the court shall determine the fair market value of the proportions of the condominium unit not taken. The undivided interest for each condominium unit is in the common elements appertaining to the condominium units shall be reduced in proportion to the diminution in the fair market value of the condominium unit resulting from the taking. The portions of the undivided interest in the common elements thereby divested from the co-owners of a condominium unit shall be reallocated among the other condominium units in the condominium project in proportion to their respective undivided interest in the common elements. A condominium unit partially taken shall receive a reallocation in proportion to its undivided interest as reduced by the court under this subjection. The court shall enter a decree reflecting the reallocation of undivided interest produced thereby and the award shall include just compensation to the co-owner of the condominium unit partially taken for that portion of the undivided interest in the common elements divested from the co-owner and not revested in the co-owner pursuant to sub-section (4), as well as for that portion of the condominium unit taken by eminent domain.

d) If the taking of a portion of a condominium unit makes it impractical to use the remaining portion of that condominium unit for a lawful purpose permitted by the condominium documents, then the entire undivided interest in the common elements appertaining to that condominium unit shall thence forth appertain to the remaining condominium units, being allocated to them in proportion to their respective undivided interests in the common elements. The remaining portion of that condominium unit shall thence forth be a common element. The court shall enter an order reflecting the reallocation of undivided interest produced thereby and the award shall include just compensation to the co-owner of the condominium unit for the co-owners entire undivided interest in the common elements and for the entire condominium unit.

e) Both in the Association of co-owners and liability for future expenses of administration appertaining to a condominium unit taken or partially taken by eminent domain, shall thence forth appertain to the remaining condominium units, being allocated to them in proportion to the relative voting strength in the Association of co-owners. A condominium unit partially taken shall receive a reallocation as though the voting strength in the Association of co-owners was reduced in proportion to the reduction in the undivided interest in the common elements.

Section 7. The Association shall not be responsible for any incidental damages.

Section 8. In the event of partial or complete destruction or partial or complete condemnation of the condominium project in accordance with Section 54(3) of the Act, a minimum of two-thirds of the co-owners in value and in number shall be determinative of whether to rebuild or repair the property. The rights of the co-owners and the procedures to be followed in case of partial or complete destruction shall be governed by the provisions of Section 133 of the Act.

ARTICLE VIII
RESTRICTIONS

Section 1. No condominium unit in the condominium shall be used for other than single-family residence purposes (except that persons not of the same immediate family residing together may occupy a unit with written consent of the Board of Directors which consent shall not be unreasonably withheld) and the common elements shall be used only for purposes consistent with the use of single family residences.

Section 2. A co-owner may make improvements or alterations within the interior of a condominium unit provided that said improvements or alterations do not impair the structural integrity of the structure or otherwise lessen the support of a portion of the condominium project. No co-owner shall do anything which would change the exterior appearance of a condominium unit or of any other portion of the condominium project except by the following procedure:

a) Application for such alterations or changes shall be made to the Board of Directors of the Association together with sufficient plans, drawings or renderings as may be necessary to enable the Association to understand and evaluate the proposed changes.

b) The Board of Directors shall then appoint an architectural control committee for purposes of reviewing the proposal. The members of said committee need not be members of the Board of Directors, but a Director shall not be disqualified from serving on such committee.

c) The committee may seek opinions from the co-owners of the development and shall, within a reasonable time prescribed by the Directors, render a recommendation and report to the Board of Directors.

d) The Board of Directors shall thereupon adopt a resolution either granting the permission for such alterations or denying same.

e) In the event that such application for changes are approved by the Board of Directors, it shall be subject to a written undertaking by the co-owner acknowledging that all of the improvements are to be at the co-owner's sole expense, that injury if any to the common elements will be repaired promptly by the co-owner at its sole expense and that the improvements will be completed by a date to be determined by the Board of Directors.

All proceedings under this Article shall be specifically in accordance with Section 47 of the Act.

Section 3. No immoral, improper, unlawful or offensive activity shall be carried on in any unit or upon the common elements, limited or general, nor shall anything be done which may be or become an annoyance or a nuisance to the co-owners of the condominium, nor shall any unreasonably noisy activity be carried on in any unit or on the common elements. No co-owner shall do or permit anything to be done or keep or permit to be kept in his unit or on the common elements anything that will increase the rate of insurance on the condominium without the written approval of the Association and each co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

Section 4. No animals, including household pets, shall be kept without the prior written consent of the Board of Directors of the Association. No animal may be kept or bred for any commercial purpose. Any pets permitted to be kept in the condominium shall have such care and restraint so as not to be obnoxious or offensive on account of noice, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the common elements and any animal shall at all times be attended by some responsible person while on the common elements, limited or general. No savage or dangerous animal shall be kept and any co-owner who causes any animal to be brought or kept upon the premises of the condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefor. Deposits of fecal matter shall be made only in those areas specifically designated for such purpose by the Association. 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 may, without liability to the owner thereof, remove or cause to be removed any animal from the condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered with it and may adopt such additional rules and regulations with respect to animals as it may deem proper.

Section 5. The common elements, limited or general, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in 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. The common elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. Automobiles may only be washed in areas approved by the Association. In general no activity shall be carried on nor condition maintained by a co-owner either in his condominium unit or upon the common elements, which spoils the appearance of the condominium.

Section 6. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, and porches shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the common elements.

Section 7. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers or vehicles other than automobiles may be parked or stored upon the premises of the condominium, unless approved by the Board of Directors or unless parked in an area specifically designated therefor by the Association. Commercial vehicles and trucks 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. Each co-owner shall park his car in the garage space provided therefor and shall park any additional car which he owns in the limited common element space assigned to him immediately adjoining his garage space. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the condominium premises. The Association may assign general common element parking spaces for the use of the co-owners of a particular unit or units in an equitable manner in the event that there arises a shortage of parking spaces in the condominium project. The Association can assess a rental charge for the use of unassigned garage spaces.

Section 8. No co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows or other similar dangerous weapons, projectiles or devices anywhere on or about the condominium premises.

Section 9. No signs or other advertising devices shall be displayed which are visible from the exterior of a condominium unit or on the common elements, including "For Sale" signs, without written permission from the Association and the Developer. Nothing in this section shall be construed to restrict the Developer from displaying signs or other advertising devices which in the Developer's sole discretion may be necessary or desirable for the promotion and sale of the project.

Section 10. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the common elements may be made and amended from time to time by any Board of Directors of the Association, including the First Board of Directors (or its successors elected by the Developer) prior to the first annual meeting of the entire Association held as provided in Article I, Section 6 of these Bylaws. All copies of such regulations and amendments thereto shall be furnished to all co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative or each co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all co-owners in number and in value except that the co-owners may not revoke any regulation or amendment prior to said first annual meeting of the entire Association.

Section 11. The Association or its duly authorized agents shall have access to each condominium unit from time to time, during reasonable working hours, upon notice to the co-owner thereof, as may be necessary for maintenance, repair or replacement of any of the common elements. The Association or its agents shall also have access to each 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. It shall be the responsibility of each co-owner to provide the Association means of access to his condominium unit during all periods of absence and in the event of the failure of such co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such co-owner for any necessary damage to his condominium unit caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

Section 12. Landscaping by an individual co-owner on a courtyard or patio which may be a limited common element assigned to his particular unit must receive prior written approval from the Board of Directors of the Association before installation or significant alteration.

Section 13. No unsightly condition shall be maintained upon any balcony, patio or porch and only furniture and equipment consistent with ordinary balcony, patio or porch shall be permitted to remain there during seasons when balconies, patios or porches are reasonably in use and no furniture or equipment of any kind shall be stored on balconies, patios or porches during seasons when balconies, patios or porches are not reasonably in use.

Section 14. Each co-owner shall maintain his unit and any limited common elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each co-owner shall also use due care to avoid damaging any of the common elements including, but not limited to the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any unit which are appurtenant to or which may affect any other unit. Each co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common elements by him, or his family, guests, agents, or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible co-owner in the manner provided in Article II hereof.

Section 15. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the construction and sales period as hereinafter defined, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Association and Bylaws as the same may be amended from time to time. For the purposes of this Section, the construction and sales period shall be deemed to continue so long as Developer owns any unit which he offers for sale. Until all units in the entire condominium project (including the initial state and any successive stages) are sold by Developer. Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas, reasonable parking incident to the foregoing and such access to, from and over the project as may be reasonable to enable construction and sale of the entire project by Developer. During the construction and sales period, Developer shall have full right to utilize all or any portion of the community building for office and sales purposes or any other purposes reasonably incident to the development and sale of the project; provided, however, that during such period as Developer continues to use the community building or any portion thereof for its purposes, it shall bear such portion of the expenses in maintenance of such building as are reasonable in relation to the nature and extent of its use by Developer.

Section 16. A courtyard pertinent or adjacent to any individual condominium unit shall be landscaped consistent with the decorative theme of the condominium development. No courtyard shall be designed or constructed in any manner so as to interefere in any way with the use and enjoyment of any other co-owner of his condominium unit.

No grass shall be allowed in the courtyards for Unit No. 3, 4, 5, 6, 7, 14, and 16.

ARTICLE IX
MORTGAGES

Section 1. 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 Condominium Units". The Association may, at the written request of a mortgagee of any such unit, report any unpaid assessments due from the co-owner of such unit. The Association shall give to the holder of any first mortgage covering any unit in the project written notification of any default in the performance of the obligations of the co-owner of such unit that is not cured within thirty (30) days.

Section 2. 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.

ARTICLE X
AMENDMENT

Section 1. Amendment to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third or more in number of the members or by instrument in writing signed by them.

Section 2. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with provisions of the Association By-Laws.

Section 3. These Bylaws may be amended by the Association at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of more than two-thirds (2/3) of all co-owners in number and in value.

Section 4. Prior to the first annual meeting of members, these Bylaws may be amended by the first Board of Directors upon proposal of amendments by Developer without approval from any person other than the Michigan Department of Commerce to make such amendments as shall not increase or decrease the benefits or obligations, or materially affect the rights of any member of the Association.

Section 5. Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon approval of the same by the State of Michigan and recording of such amendment in the Office of the Register of Deeds in the county where the condominium is located. Without the prior written approval of all first mortgagees interested in the project, no amendment to these Bylaws shall become effective which involved any change, direct or indirect, in Article II, Section 7, Article VII, Section 1 or Article VIII, Section 5.

Section 6. A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption.

Section 7. The cost of amendment will be charged to the person responsible for it.

ARTICLE XI
COMPLIANCE

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

ARTICLE XII
MISCELLANEOUS

Section 1. Any person designated by the Association of co-owners shall have access to each unit as necessary during reasonable hours upon notice to the occupant thereof for maintenance, repair or replacement of any of the common elements or accessible therefrom, and shall have access to each unit without notice for making emergency repairs as necessary to prevent damage to other units or the common elements or both.

Section 2. All present and future co-owners, tenants and any other persons or occupants using the facilities of the project in any manner are subject to and shall comply with the Act, the Master Deed and Bylaws and the Articles of Association, Rules and Regulations adopted by the Association of Co-Owners as is set forth in Section 65 of the Act.

Section 3. Any Co-owner including the developer desiring to rent or lease a condominium unit shall disclose that fact in writing to the Association of Co-owners at least twenty-one (21) days before leaving the condominium unit and shall supply the Association of Co-owners with a copy of the exact lease form for its review for the compliance with the Condominium Documents. Developer proposing to rent condominium units before the transitional control date shall notify either the advisory committee or each co-owner in writing. All tenants or non-co-owner occupancy shall comply with all of the conditions of the Condominium Documents and any lease of such condominium unit shall so provide.

If the Association of Co-owners determines that the tenant or non-co-owner occupant failed to comply with the conditions of the Condominium Documents, the Association of Co-Owners shall take the following action:

a) The Association shall notify the co-owner by certified mail advising of the alleged violation.

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

c) If after fifteen (15) days the Association of Co-Owners believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the co-owners on behalf of the Association of Co-owners that is under the control of the Developer an action for eviction against the tenant or non-co-owner occupancy and simultaneously for money damages in the same action against the co-owner and tenant or non-co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this section may be by summary proceedings. The Association of Co-owners may hold both the tenant and the co-owner liable for any damages caused by the co-owner or tenant in connection with the condominium unit.

When a co-owner is in arrearage to the Association of Co-owners for assessments, the Association of Co-owners may give written notice of the arrearage to a tenant occupying a co-owner's condominium unit under a lease or rental agreement, and that tenant after receiving such notice shall deduct from rental payments due the co-owner the arrearage and future assessments as they fall due and pay them to the Association of Co-owners. The deduction shall not be a breach of the rental agreement or lease by the tenant.

Section 4. Where there has been no judicial determination as to indemnification of the Association's Directors, an opinion of independent counsel as to the propriety of indemnification shall be obtained if a majority of the co-owners vote to procure such opinion.

ARTICLE XIII
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 XIV
REMEDIES FOR DEFAULT

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

a) Failure to comply with any of the terms or provisions of the Condominium Documents 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) In any proceeding arising because of an alleged default by any co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the Court, but in no event shall any co-owner be entitled to recover such attorneys' fees.

c) The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common elements, limited or general, or into any unit, where reasonably necessary and summarily remove and abate, at the expense of the co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.

Section 2. The failure of the Association or of any co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such co-owner to enforce such right, provisions, covenant or condition in the future.

Section 3. All rights, remedies and privileges granted to the Association or any co-owner or co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude 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. The Association may only levy fines with proper notice and hearing.

ARTICLE XV
SEVERABILITY

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