

GOLFVIEW POINTE AT COPPER CREEK

EXHIBIT "A"

BYLAWS

ARTICLE I

ASSOCIATION OF HOMEOWNERS

Golfview Pointe at Copper Creek, a residential Subdivision Condominium located in the City of Farmington Hills, County of Oakland, State of Michigan, shall be administered by an Association of Homeowners 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 Subdivision Condominium in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, and duly adopted rules and regulations of the Association, and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Owner, including the Developer, shall be a member of the Association and no other person or entity shall be entitled to membership. The share of an Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Site in the Subdivision Condominium. An Owner selling a Site shall not be entitled to any refund whatsoever from the Association with respect to any reserve or other asset of the Association. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Subdivision Condominium Documents for the Subdivision Condominium available at reasonable hours to Owners, prospective purchasers and prospective mortgagees of Sites in the Subdivision Condominium. All Owners in the Subdivision Condominium and all persons using or entering upon or acquiring any interest in any Site therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Subdivision Condominium Documents.

ARTICLE II

ASSESSMENTS

All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the Subdivision Condominium Documents and the Act shall be levied by the Association against the Sites and the Owners thereof in accordance with the following provisions:

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

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

(a) **Budget.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Subdivision Condominium, including a reasonable allowance for contingencies and reserves. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Site Owner's obligation to pay the allocable share of the common expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Site Owner shall continue to pay each periodic installment at the periodic rate established for the previous fiscal year until notified of the periodic payment which is due more than ten (10) days after such new annual or adjusted budget is adopted. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Sections 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this section may prove to be inadequate for this particular Subdivision Condominium, the Association should carefully analyze the Subdivision Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each 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 Owner shall not affect the liability of any Owner for any existing or future assessments. Should the Board of Directors, in its sole

discretion, at any time determine: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation, management, maintenance and capital repair of the Subdivision Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding Twenty-Five Thousand Dollars (\$25,000.00), in the aggregate, annually, or (4) that there is an emergency, the Board of Directors shall have the authority to increase the general assessment or to levy such additional or special assessment or assessments without Owner approval as it shall deem to be necessary. The Board of Directors shall also have the authority, without Owner consent, to levy assessments pursuant to the provisions of Article V, Section 3 hereof. The discretionary authority of the Board of Directors to levy general, additional or special assessments pursuant to this Subsection shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

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

(c) Planned Residential Development Assessments. The Association shall pay, as a cost of administration, all assessments levied against the Association and/or the Owners pursuant to the Copper Creek Agreement for Planned Residential Development, as same may be amended from time to time. These assessments shall include, without limitation, assessments levied by the community association and assessments with respect to the Subdivision Condominium's pro rata share of the entry and access roadway easement to Twelve Mile Road.

Section 3. Apportionment of Assessments; Default in Payment. Unless otherwise provided herein, all assessments levied against the Owners to cover expenses of administration shall be apportioned among and paid by the Owners in accordance with the percentage of value allocated to each Site in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Site. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by the Owners in twelve (12) equal monthly installments, or in such other periodic installments as the Board of Directors shall determine, commencing with acceptance of a Deed to, or a land contract purchaser's interest in, a Site, or with the acquisition of fee simple title to a Site by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in

full on or before the due date for such payment. A late charge in the amount of \$10.00 per month, or such other amount as may be determined by the Board of Directors effective upon fifteen (15) days notice to the members of the Association, shall be assessed automatically by the Association upon any assessment in default until paid in full. Such late charge shall not be deemed to be a penalty or interest upon the funds due to the Association but is intended to constitute a reasonable estimate of the administrative costs and other damages incurred by the Association in connection with the late payment of assessments. Assessments in default shall bear interest at the rate of seven (7%) percent per annum or such higher rate as may be allowed by law until paid in full. Each Owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to his Site which may be levied while such Owner is the owner thereof. In addition to an Owner who is also a land contract seller, the land contract purchaser shall be personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to the subject Site which are levied up to and including the date upon which the land contract seller actually takes possession of the Site following extinguishment of all rights of the land contract purchaser in the Site. Payments on account of installments of assessments in default shall be applied first, to any late charges on such installments; second, to costs of collection and enforcement of payment, including reasonable attorney's fees and finally to installments in default in order of their due dates, earliest to latest.

Section 4. Waiver of Use or Abandonment of Site; Uncompleted Repair Work. No 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 Site, or because of uncompleted repair work, or the failure of the Association to provide service to the Subdivision Condominium.

Section 5. Enforcement. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments, or both in accordance with the Act. Pursuant to Section 139 of the Act, no Owner may assert in answer or set-off to a complaint brought by the Association for nonpayment of assessments the fact that the Association or its agents have not provided the services or management to the Owner. Each Owner, and every other person who from time to time has any interest in the Subdivision Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Owner and every other person who from time to time has any interest in the Subdivision Condominium, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Site with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. The Association, acting on behalf of all Owners, may bid in at the foreclosure sale, and acquire, hold, lease, mortgage or convey the Site. Each Owner of a

Site in the Subdivision Condominium acknowledges that at the time of acquiring title to such Site, he was notified of the provisions of this Section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Site.

Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Owner(s) at his or their last known address of a written notice that one or more installments of the annual assessment and/or a portion or all of a special assessment levied against the pertinent Site is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written Affidavit of an authorized representative of the Association that sets forth (i) the Affiant's capacity to make the Affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Site(s), and (v) the name(s) of the Owner(s) of record. Such Affidavit shall be recorded in the office of the Register of Deeds in the County in which the Subdivision Condominium is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the Owner and shall inform the Owner that he may request a judicial hearing by bringing suit against the Association.

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

for the Site from the Owner thereof or any persons claiming under him as provided by the Act.

Section 6. Liability of Mortgagee. Notwithstanding any other provisions of the Subdivision Condominium Documents, the holder of any first mortgage covering any Site in the Subdivision Condominium which comes into possession of the Site pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Site which accrue prior to the time such holder comes into possession of the Site (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 Sites including the mortgaged Site).

Section 7. Developer's Responsibility For Assessments. Notwithstanding any other provisions of the Subdivision Condominium Documents to the contrary, the Developer shall not pay regular annual Association assessments or other assessments for Sites which are owned by the Developer so long as the Sites are vacant and unoccupied, but the Developer shall at all times pay all expenses of maintaining the Sites that it owns, including the improvements located therein. Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Site from the Developer or to finance any litigation or other claims against the Developer, any costs of investigating and preparing such litigational claim or any similar or related costs.

Section 8. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

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

Section 10. Mechanic's Lien. A mechanic's lien otherwise arising under Act No. 479 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

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

shall render any unpaid assessments together with interest, costs, and attorneys' fees incurred in the collection thereof, and the lien securing same fully enforceable against such purchaser and the Site itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Site and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record. The Association may charge such reasonable amounts for preparation of such a statement as the Association shall, in its discretion, determine.

ARTICLE III

ARBITRATION

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

Section 2. Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 1 above, no Owner or the Association shall be precluded from petitioning the Courts to resolve any such disputes, claims or grievances.

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

Section 4. Owner Approval For Civil Actions Against Developer and First Board of Directors. Any civil action proposed by the Board of Directors on behalf of the Association to be initiated against the Developer, its agents or assigns, and/or the First Board of Directors of the Association, for any reason, shall be subject to approval by a vote of fifty-one (51%) percent of all Owners, and notice of such proposed action must be given in writing to all Owners.

ARTICLE IV

INSURANCE

Section 1. Extent of Coverage. The Association shall carry a standard "all risk" insurance policy, which includes, among other things, fire and extended coverage, vandalism and malicious mischief and liability insurance, and worker's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements of the Subdivision Condominium, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

(a) Responsibilities of Association and of Owners. All such insurance shall be purchased by the Association for the benefit of the Association, and the Owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Owners. Each Owner shall obtain a standard "all risk" insurance policy, which includes, among other things, fire and extended coverage (including damage from errant golf balls) and vandalism and malicious mischief insurance, and liability insurance with respect to his residence, and all other improvements constructed or to be constructed within his Site perimeter, together with Limited Common Elements, if any, appurtenant to his Site, whether located within or outside the perimeter of his Site. It shall be each Owner's responsibility to determine by personal investigation or from his own insurance advisor the nature and extent of insurance coverage adequate to his needs and thereafter to obtain insurance coverage for his property located within his Site or elsewhere on the Subdivision Condominium and for his personal liability for occurrences within his Site or upon Limited Common Elements, if any, appurtenant to his Site, if any, and also for alternative living expense in the event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. All such insurance shall, where applicable, be carried by each Owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. In the event of the failure of an Owner to obtain such insurance, the Association may obtain such insurance on behalf of such Owner and the premiums therefor shall constitute a lien against the Owner's Site which may be collected from the Owner in the same manner that Association assessments are collected in accordance with Article II above. Each Owner shall also be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of his Site or within the residential dwelling located thereon, and on Limited Common Elements, if any, appurtenant thereto, regardless of where located. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Subsection (a) to be the responsibility of the Owner to obtain, nor shall the Association have any liability to any person for failure to do so. Each Owner shall file a copy of such insurance policy, or policies, including all endorsements thereon, or, in the Association's discretion, certificates of insurance or other satisfactory evidence of insurance, with the Association in order that the Association may be assured that such insurance coverage is in effect. The Association, as to all policies which it obtains, and all Owners, as to all policies which they obtain, shall use their best efforts to see that all property and liability insurance carried by the Association or any Owner shall contain

appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Owner or the Association.

(b) Insurance of Common Elements. All Common Elements of the Subdivision Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall be effected upon an agreed-amount basis for the entire Subdivision Condominium with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total Subdivision Condominium destruction if the insurance proceeds failed, for some reason, to be equal to the total cost of replacement). All information in the Association's records regarding insurance coverage shall be made available to all Owners upon request and reasonable notice during normal business hours so that Owners shall be enabled to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly constituted meeting, to change the nature and extent of any applicable coverages, if so determined. Upon such annual re-evaluation and effectuation of coverage, the Association shall notify all Owners of the nature and extent of all changes in coverages.

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

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Subdivision Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring the repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than repair, replacement or reconstruction of the Subdivision Condominium unless all of the institutional holders of first mortgages on Sites in the Subdivision Condominium have given their prior written approval.

Section 2. Authority of Association To Settle Insurance Claims. Each Owner, by ownership of a Site in the Subdivision Condominium, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workers' compensation insurance, if applicable, pertinent to the Subdivision Condominium and the Common Elements appurtenant thereto with such insurer as may, from time to time, provide such insurance for the Subdivision Condominium. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute same to the Association, the Owners

and respective mortgagees, as their interests may appear (subject always to the Subdivision Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Owners and the Subdivision Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE V

RECONSTRUCTION OR REPAIR

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

(a) Common Elements. If the damaged property is a Common Element, the damaged property shall be rebuilt or repaired unless all Owners and first mortgagees of Sites decide otherwise.

(b) Site or Improvements Therein. If the damaged property is a Site or any improvements therein, the Owner of such Site alone shall determine whether to rebuild or repair the damaged property, subject to the direction and determination of any mortgagee of such Site and the rights of any other person or entity having an interest in the property, and the Owner shall be solely responsible for any such reconstruction or repair that the Owner elects to make. The Owner shall in any event remove all debris and restore the Owner's Site and the improvements therein to a clean and sightly condition, satisfactory to the Association as soon as reasonably possible following the occurrence of the damage.

Section 2. Repair in Accordance with Master Deed. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the original plans and specifications for any damaged improvements located within the Site unless the Owners unanimously decide otherwise.

Section 3. Association Responsibility for Repair and Reconstruction. Immediately after a casualty causing damage to property for which the Association has a responsibility of repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during the reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Owners for the costs of reconstruction or repair of the damaged property, in sufficient amounts to provide funds to pay the estimated or actual cost to repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation. Assessments pursuant to this Article V, Section 3 may be made by the Association without a vote of the Owners.

Section 4. Timely Reconstruction and Repair. Notwithstanding any provision herein to the contrary, if damage to Common Elements or a Site, including any residence, structure or improvement therein, adversely affects the appearance of the Subdivision Condominium, the Association or Owner responsible for the reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay, and shall complete such replacement within six (6) months after the date of the occurrence which caused damage to the property.

Section 5. Eminent Domain. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

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

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

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

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

Section 6. Mortgages Held By FHLMC; Other Institutional Holders. In the event any mortgage in the Subdivision Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefor by FHLMC, the Association shall give it written notice at such address as it may, from time to time, direct of any loss to

or taking of the Common Elements of the Subdivision Condominium if the loss or taking exceeds \$10,000.00 in amount. The Association shall provide such other reasonable notice as may be required, from time to time, by other institutional holders of mortgages upon Sites.

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

ARTICLE VI

RESTRICTIONS

Section 1. Residential Use. Each Site in the Subdivision Condominium shall be occupied by a single family, only, and shall not be used for other than single-family purposes and the Common Elements shall only be used for purposes consistent with those set forth in this Section 1. No Site shall be used for commercial or business offices. The provisions of this Section shall not be construed to prohibit an Owner from maintaining a personal professional library, keeping personal, professional or business records or handling personal business or professional telephone calls in that Owner's Site.

Section 2. Leasing And Rental. An Owner may lease his Site for the same purposes set forth in Section 1 of this Article VI. The rights and obligations of the Owners and of the Association in regard to leasing of Sites shall be governed by Section 112 of the Act.

Section 3. Approval of Structures and Improvements and Alterations and Modifications of Structures, Improvements and Common Elements. No structure or improvement may be erected, installed or placed upon or in any Site, nor may an Owner alter or modify any structure or improvement upon or in any Site (except for interior modifications of residences), or modify the grade of the Site, or modify any Common Element, unless the Site Owner has submitted the following documentation to the Architectural Control Committee (which shall be initially controlled by the Developer as provided in Section 4 below) and the Architectural Control Committee has approved all of such documentation in writing:

(a) A topographic survey of the Site prepared and certified by a licensed engineer or architect showing existing and proposed grades, the location of all trees in excess of 3" in diameter, and the proposed location of each structure and/or improvement located or to be located upon the Site.

(b) Construction and architectural plans prepared and certified by a licensed engineer or architect including dimensioned floor plans, typical sections, and all elevations for the structure or improvement to be constructed upon or in the Site.

(c) Specifications for each structure and/or improvement prepared and certified by a licensed architect or engineer setting forth the type and quality of all materials and workmanship and including a detailed finish schedule for all exterior materials, products and finishes, with actual samples of all exterior materials.

(d) A construction schedule specifying the commencement and completion dates of construction of the structures and/or improvements, as well as such other dates as the Architectural Control Committee may specify for completion of stages of the structures and/or improvements.

(e) With respect to requested alterations and/or modifications to existing structures and/or improvements or to Common Elements, the applicable plans and specifications for such alterations and/or modifications as the Architectural Control Committee shall require.

A Site Owner shall submit two (2) copies of the aforescribed documents to the Architectural Control Committee, and the Architectural Control Committee shall retain one (1) copy of each document for its records. The Developer intends and desires that all structures and/or improvements within the Subdivision Condominium be architecturally harmonious and architecturally pleasing and that the design and location of such structures take into account the preservation of trees and the natural environment of the Subdivision Condominium. In order to insure that such goals are accomplished, the Architectural Control Committee shall, in its sole discretion, have the right to approve or disapprove the appearance, construction, materials, proposed location, design, specifications or any other attribute of any structure and/or improvement.

A Site Owner may only construct, install or place upon a Site those structures and/or improvements which have been approved in writing by the Architectural Control Committee in the manner set forth herein. Before construction of any residence, or making any exterior improvement, change, or elevation change upon any Site, an Owner shall receive the written approval of the Architectural Control Committee. No application for a building permit or application for any other governmental approval for construction shall be filed until written approval of the Committee is received. The Architectural Control Committee shall approve in advance the licensed residential builder engaged by the Owner to construct a residence and any other structure and/or improvements in the Owner's Site. The Architectural Control Committee may require that such builder or Owner furnish to the Association adequate security, in the Architectural Control Committee's sole discretion, to protect the Association against costs and expenses which it might incur in connection with the failure to complete construction in a timely and diligent manner, in accordance with the approved plans and specifications for the residence and other structures and/or improvements.

The Architectural Control Committee shall have thirty (30) days after the receipt of all required plans and specifications to issue a written approval or denial. If the Architectural Control Committee fails to issue a written approval or denial of the plans and specifications within the thirty (30) day period, then the written approval will not be required

and the plans and specifications submitted will be deemed to comply with the Subdivision Condominium Documents.

Section 4. Architectural Control Committee. Except as otherwise expressly provided herein, the Architectural Control Committee shall have exclusive jurisdiction over the rights of approval and enforcement set forth in the Subdivision Condominium Documents. The Developer shall have the exclusive right to appoint and remove all members of the Architectural Control Committee in its sole discretion until such time as certificates of occupancy have been issued for residences on 100% of the Sites in the Subdivision Condominium. There shall be no surrender of this right prior to the issuance of certificates of occupancy of residences in 100% of the Sites in the Subdivision Condominium, except in a written instrument in recordable form executed by Developer and specifically assigning to the Association the power to appoint and remove the members of the Architectural Control Committee. From and after the date of such assignment or later expiration of Developer's exclusive power of appointment and removal, the Architectural Control Committee shall be appointed by the Board of Directors of the Association and the Developer shall have no further responsibilities with respect to any matters of approval or enforcement set forth herein. The Architectural Control Committee shall consist of at least one (1) but no more than five (5) persons. Neither Developer nor any member of the Architectural Control Committee shall be compensated from assessments collected from the members of the Association for the time expended in architectural control activities.

Section 5. Architectural Control Committee Exculpation From Liability. As provided in Section 3 of this Article VI, the primary purpose for providing for architectural control is to insure the proper and harmonious development of the Subdivision Condominium in order to maximize the aesthetic beauty of the Subdivision Condominium and its blending with the surrounding area. To this end, the Architectural Control Committee shall be deemed to have broad discretion in terms of determining what residences, fences, walls, hedges or other structures and/or improvements will enhance the aesthetic beauty and desirability of the Subdivision Condominium, or otherwise further or be consistent with the purpose for any restriction. In no event shall the Developer, the Association, the directors and officers of the Association, or the Architectural Control Committee have any liability whatsoever to anyone for the Committee's approval or disapproval of plans, drawings, specifications, elevations or the residences, fences, walls, hedges, or other structures and/or improvements subject hereto, whether such alleged liability is based on negligence, tort, express or implied contract, fiduciary duty or otherwise. In no event shall the Developer, the Association, the directors and officers of the Association or the Architectural Control Committee have any liability to anyone including, but not limited to, Site Owners for approval of plans, specifications, structures or the like, which are not in conformity with the provisions of these Subdivision Condominium Documents, or for disapproving plans, specifications, structures or the like, which may be in conformity with the provisions hereof.

In no event shall any party have the right to impose liability on, or otherwise contest judicially, the Developer, the Association, the directors and officers of the Association, or the Architectural Control Committee for any decision of the Developer, the Association, the directors and officers of the Association or the Architectural Control

Committee (or alleged failure of the Developer, the Association, the directors and officers of the Association, or the Architectural Control Committee to make a decision) relative to the approval or disapproval of a structure and/or improvement or any aspect or other matter as to which Developer, acting through the Architectural Control Committee or otherwise, reserves the right to approve or waive under the Subdivision Condominium Documents. The approval of the Developer (or the Architectural Control Committee) as the case may be, of a structure, improvement or other matter, shall not be construed as a representation or warranty that the structure, improvement or other matter is in conformity with the ordinances or other requirements of the City of Farmington Hills, or any other governmental authority or any other law or statute. Any obligation or duty to ascertain any such non-conformities, or to advise the Site Owner or any other person of the same (even if known) is hereby disclaimed.

Section 6. Activities. No unlawful or offensive activity shall be carried on in any Site 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 Owners of the Subdivision Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Site at any time and disputes among Owners, arising as a result of this provision which cannot be amicably resolved, may be arbitrated by the Association. No Owner shall do or permit anything to be done or keep or permit to be kept in his Site or on the Common Elements anything that will increase the rate of insurance on the Subdivision Condominium without the written approval of the Association, and each Owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: any activity involving the use of firearms, air rifles, pellet guns, b-b guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

Section 7. Pets. An Owner shall be permitted to maintain no more than two (2) domesticated dogs and two (2) domesticated cats in the Owner's Site. No other animal shall be permitted to be maintained in the Subdivision Condominium. All Owners shall comply with the applicable ordinances of the City of Farmington Hills in regard to the maintenance of pets. No animal may be kept or bred for any commercial purpose. Any animal shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time outside the residence constructed within the Site perimeters or upon the Common Elements and any animal shall at all times be leashed and attended by some responsible person while outside the residence and/or on the Common Elements, Limited or General. The Board of Directors may, in its discretion, designate certain portions of the General Common Elements of the Subdivision Condominium wherein such animals may be walked and/or exercised. Nothing herein contained shall be construed to require the Board of Directors to so designate a portion of the General Common Elements for the walking and/or exercising of animals. No savage or dangerous animal shall be kept and any Owner who causes any animal to be brought or kept upon the premises of the Subdivision Condominium shall indemnify and hold harmless the Association for any loss, damage or liability (including costs and attorney fees) which the Association may sustain as a result of the presence of such animal in the Subdivision Condominium; whether or not the Association has given its

permission therefor, and the Association may assess and collect from the responsible Owner such losses and/or damages in the manner provided in Article II hereof. Each Owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Owner. No dog which barks and can be heard on any frequent or continuing basis shall be kept in any Site or on the Common Elements. The Association may charge all 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 Subdivision Condominium. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. The Association may, after notice and hearing, without liability to the owner thereof, remove or cause to be removed any animal from the Subdivision Condominium which it determines to be in violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. The Association may also assess fines for such violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. The term "animal" or "pet" as used in this Section 7 shall not include small domesticated animals which are constantly caged, such as small birds or fish.

Section 8. Aesthetics. Supplies, materials, personal property or trash or refuse of any kind shall not be stored outside the residences constructed within the Site perimeters or upon the Common Elements, except as provided in duly adopted rules and regulations of the Association. Garage doors shall be kept closed at all times except as may be reasonably necessary to gain access to or from any garage. No unsightly condition shall be maintained on any patio, porch or deck and only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere outside the residences or on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. Activities such as the drying, shaking or airing of clothing or other fabrics shall not be conducted outside the residences or upon the Common Elements. In general, no activity shall be carried on nor condition maintained by the Co-owner either within his Site or upon the Common Elements, which is detrimental to the appearance of the Subdivision Condominium.

Section 9. Common Element Maintenance. Sidewalks, yards, landscaped areas, driveways and roads 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. Use of any amenities in the Subdivision Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations; provided, however, that use of any amenities in the Subdivision Condominium shall be limited to resident Owners who are members in good standing of the Association and to the tenants, land contract purchasers and/or other non-Owner occupants of Sites in which the Owner does not

reside; provided, further, however, that the nonresident Owners of such Sites are members in good standing of the Association.

Section 10. Vehicles. Except for vans and pick-up trucks used for personal transportation by an Owner, no house trailers, pick-up trucks, recreational vehicles, vans or similar vehicles, such as club wagons, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, mobile homes, dune buggies, motor homes, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles other than automobiles may be parked or stored upon the premises of the Subdivision Condominium, unless parked in garages, or unless specifically approved by the Association or parked in an area specifically designated therefor by the Association. Nothing herein contained shall be construed to require the Association to approve the parking or storage of such vehicles or to designate an area therefor. The Association shall not be responsible for any damages, costs or other liability arising from any failure to approve the parking or storage of such vehicles or to designate an area therefor. Owners shall not park their vehicles overnight in the Subdivision Condominium except in their respective garages, or in the driveways located within their respective Sites, unless the Board of Directors specifically approves in writing otherwise. Commercial vehicles and trucks shall not be parked in or about the Subdivision Condominium (except as above provided) unless while making deliveries or pick-ups in the normal course of business. Nonoperational vehicles or vehicles with expired license plates shall not be parked or stored in the Subdivision Condominium without the written permission of the Board of Directors. Nonemergency maintenance or repair of motor vehicles shall not be permitted in the Subdivision Condominium. In the event that there arises a shortage of parking spaces, the Association may allocate or assign available General Common Element parking spaces, if any, from time to time, on an equitable basis. The Association may cause vehicles parked or stored in violation of this Section to be removed from the Subdivision Condominium and the cost of such removal may be assessed to and collected from the Owner of the Site responsible for the presence of the vehicle in the manner provided in Article II hereof without liability to the Association. Owners shall, if the Association shall require, register with the Association all vehicles maintained in the Subdivision Condominium. The Board of Directors may promulgate reasonable rules and regulations governing the parking of vehicles in the Subdivision Condominium consistent with the provisions hereof.

Section 11. Signs, Advertising and Mailboxes. No commercial signs, including "For Rent", "For Sale" and other similar signs, shall be erected or maintained on any Site except with the written permission of the Architectural Control Committee, or except as may be required by legal proceedings. If such permission is granted, the Architectural Control Committee reserves the right to restrict size, color and content of such signs. All mailboxes, delivery receptacles and the like shall be of a standard color, size and style, determined by the Architectural Control Committee and shall be erected only in areas designated by the Architectural Control Committee.

Section 12. Regulations. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Subdivision Condominium may be made and amended from time to time by the Board of Directors of the Association, including the First Board of Directors (or its successors appointed by the Developer prior

to the First Annual Meeting of the entire Association held as provided in Article IX, Section 2 of these Bylaws). Copies of all such regulations and amendments thereto shall be furnished to all Owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Owners, except that the Owners may not revoke any regulation prior to the First Annual Meeting of the entire Association.

Section 13. Right of Access of Association. The Association or its duly authorized agents shall have access to each Site and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Owner thereof, as may be necessary to carry out any responsibility imposed on the Association by the Subdivision Condominium Documents. The Association or its agents shall also have access to each Site and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Site and/or to protect the safety and/or welfare of the inhabitants of the Subdivision Condominium.

Section 14. Landscaping. No Owner shall perform any landscaping or plant any trees, shrubs or flowers or place any lawn ornaments, sculptures or statues in the front yard of the Owner's Site or upon the Common Elements unless approved by the Architectural Control Committee in writing, which approval cannot be unreasonably withheld.

*Section 15. Television Antenna and Similar Devices. No outside television antenna or other antenna, or aerial, saucer, dish or similar device shall be placed, constructed, altered or maintained on any Site, unless the Architectural Control Committee determines in its sole discretion that the absence of an outside antenna causes substantial hardship with respect to a particular Site and such installation meets the requirements established by the Architectural Control Committee.

Section 16. Dog Kennels and Similar Shelters. Dog kennels or runs or other enclosed shelters for permitted animals must be an integral part of the approved residence and must be approved by the Architectural Control Committee and the City of Farmington Hills relative to the location and design of fencing. Each Site Owner must keep any such kennel, shelter or run in a clean and sanitary condition.

Section 17. Outbuildings and Other Structures. No structure of a temporary character shall be placed upon any Site at any time. No temporary occupancy shall be permitted in an unfinished residence. The use of a trailer for materials and supplies to be used by a builder in the construction of a residence and which shall be removed from the premises upon enclosure of the residence, may be allowed with the written consent of the Architectural Control Committee which shall have the sole discretion to approve or disapprove same. No old or used buildings of any kind shall be brought on any Site or in the Subdivision Condominium. No accessory buildings shall be permitted on any Site. No mobile home, trailer, house or camping trailer, tent, shack, tool storage shed, barn, treehouse or other similar outbuilding or structure shall be placed on any Site at any time, either

temporarily or permanently. Plans for a swimming or bathhouse must be specifically approved by the Architectural Control Committee.

Section 18. Swimming Pools. No above ground swimming pools shall be erected or maintained on or in any Site.

Section 19. Fences, Walls and Hedges. No fence shall be permitted to be installed in the Subdivision Condominium except as may be required by law or applicable ordinance. No fence or wall of any kind shall be erected or maintained on any Site without the express prior written consent of the Architectural Control Committee, which shall have the sole and absolute discretion to determine the suitability of the locations, design, shape, height, size and materials for any such fence or wall. No fence, wall or hedge shall be located nearer to any front lot line than as permitted pursuant to the City of Farmington Hills' Zoning Ordinance. No fence, wall or hedge shall be maintained or erected which blocks or hinders vision at street intersections.

Section 20. Through-the-Wall Air Conditioning Units. No through-the-wall air conditioning units shall be permitted in the Subdivision Condominium.

Section 21. Owner Maintenance. Each Owner shall maintain the Site owned, the residence constructed therein, and any Limited Common Elements appurtenant thereto for which the Owner has maintenance responsibility in a safe, clean and sanitary condition. All vacant and unimproved Sites must remain free of debris, litter and trash and be cleaned up regularly. Each 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 or systems, and any other utilities located in or on any Site which are appurtenant to or which may affect any other Site. Each 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 the Owner or the Owner's 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 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 Owner in the manner provided in Article II hereof.

Section 22. Notification of Sale of Site. Upon the closing of the sale of any Site in the Subdivision Condominium, the purchaser of the Site shall notify the Association of such sale. It shall be the obligation of the purchaser to obtain copies of all Subdivision Condominium Documents.

Section 23. Reserved Rights of Developer. The Developer shall have the following reserved rights:

(a) No buildings, fences, walls, retaining walls, drives, walks, or other structures or improvements shall be commenced, erected, maintained, nor shall any addition to or change or alteration to any structural or improvement be made (including in color or

design), except interior alterations of residences, until plans and specifications are approved by the Architectural Control Committee as provided in this Article VI.

(b) None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards of the Developer with respect to unoccupied Sites owned by the Developer, or of the Association, in furtherance of its powers and purposes. Notwithstanding anything to the contrary elsewhere herein contained, until all Sites in the entire Subdivision Condominium, including any land that may from time to time be withdrawn from the Subdivision Condominium in accordance with Article VII of the Master Deed, are sold by Developer, Developer shall have the right to maintain a sales office, a building office, a construction office, model homes, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Subdivision Condominium as may be reasonable to enable development and sale of said Sites by the Developer.

(c) The Subdivision Condominium shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private residential community for the benefit of the Owners and all persons having interest in the Subdivision Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by the Subdivision Condominium Documents, and to charge the costs thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws prior to the First Annual Meeting, which right of enforcement shall include, without limitation, an action to restrain the Association or any Owner from any activity prohibited by these Bylaws.

(d) Developer reserves for itself and for the Association and their respective agents the right to enter upon any Site for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth which in the opinion of Developer detracts from the overall beauty, setting and safety of the Subdivision Condominium. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass. Developer and the Association and their respective agents may likewise enter upon such land to remove any trash which has collected on such Site, without such entrance and removal being deemed a trespass. The costs of such corrective measures shall be charged to the Owner of the Site. The provisions of this paragraph shall not be construed as an obligation on the part of Developer or the Association to mow, clear, cut, or prune any Site, nor to provide garbage or trash removal services.

(e) The provisions of this Section 21 shall not be construed to be a warranty or representation of any kind regarding the physical condition of the Subdivision Condominium.

Section 22. Assessment of Costs of Enforcement. Any and all costs, damages, expenses and/or attorneys fees incurred by the Association in enforcing any of the restrictions set forth in this Article VI and/or rules and regulations promulgated by the

Board of Directors of the Association under Article VI, Section 12 of these Bylaws, may be assessed to and collected from the responsible Owner in the manner provided in Article II hereof.

Section 23. Copper Creek Agreement For Planned Residential Development.

The Copper Creek Agreement for Planned Residential Development, as defined in Article III of the Master Deed, is incorporated herein by reference and shall be binding upon all Owners and the Association to the extent applicable to the Subdivision Condominium. In accordance with such Agreement, each Owner in Golfview Pointe at Copper Creek shall abide by the provisions contained in said Agreement as it may be amended from time to time, and by the rules and regulations that may be established from time to time as is provided in the Agreement.

ARTICLE VII

MORTGAGES

Section 1. Notice To Association. Any Owner who mortgages his Site 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 Sites". The Association shall report any unpaid assessments due from the Owner of such Site to the holder of any first mortgage covering such Site. The Association shall give to the holder of any first mortgage covering any Site in the Subdivision Condominium written notification of any other default in the performance of the obligations of the Owner of such Site that is not cured within sixty (60) days.

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

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

ARTICLE VIII

VOTING

Section 1. Vote. Except as limited in these Bylaws, each Owner shall be entitled to one (1) vote for each Site owned.

Section 2. Eligibility To Vote. No Owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented a deed or other

evidence of ownership of a Site in the Subdivision Condominium to the Association. No Owner, other than the Developer, shall be entitled to vote prior to the First Annual Meeting of members held in accordance with Article IX, Section 2, except as specifically provided in Article XI, Section 2. The vote of each Owner may be cast only by the individual representative designated by such Owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members and shall be entitled to vote during such period notwithstanding the fact that the Developer may own no Sites at some time or from time to time during such period. At and after the First Annual Meeting, the Developer shall be entitled to vote for each Site which it owns.

Section 3. Designation of Voting Representative. Each Owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Owner. Such notice shall state the name, address and telephone number of the individual representative designated, the number or numbers of the Site or Sites owned by the Owner, and the name, address and telephone number of each person, firm, corporation, partnership, association, trust, or other entity who is the Co-owner. Such notice shall be signed and dated by the Owner. The individual representative designated may be changed by the Owner at any time by filing a new notice in the manner herein provided.

Section 4. Quorum. The presence in person or by proxy of thirty-five (35%) percent of the Owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically provided herein to require a greater quorum. The written absentee ballot of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the ballot is cast. If any meeting of Owners is adjourned because a quorum is not present, the quorum requirements for the adjourned meeting shall be reduced by one-half (1/2), and reduced by one-half (1/2) successively thereafter until a quorum is obtained for such meeting.

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

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

ARTICLE IX

MEETINGS

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order, or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Subdivision Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

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

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

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

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

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

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

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 above for the giving of notice of meetings of members. Such solicitation shall specify: (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt within the time period specified in the solicitation of: (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 9. Consent of Absentees. The transactions of any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy or by absentee ballot; and if, either before or after the meeting, each of the members not present in person or by proxy, or absentee ballot, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof.

All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

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

ARTICLE X

ADVISORY COMMITTEE

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

ARTICLE XI

BOARD OF DIRECTORS

Section 1. Qualifications of Directors. The affairs of the Association shall be governed by a Board of Directors, all of whom must be members in good standing of the Association or officers, partners, trustees, employees or agents of members of the Association except for the first Board of Directors designated in the Articles of Incorporation of the Association and any successors thereto appointed by the Developer. Directors shall serve without compensation.

Section 2. Election of Directors.

(a) First Board of Directors. The first Board of Directors shall be comprised of one (1) person and such first Board of Directors, or its successors as selected

by the Developer, shall manage the affairs of the Association until the appointment of the first nonDeveloper Owner to the Board. Immediately prior to the appointment of the first nonDeveloper Owner to the Board, the Board shall be increased in size to five (5) persons. Thereafter, elections for nonDeveloper Owner directors shall be held as provided in subsections (b) and (c) below. The terms of office shall be two (2) years. The directors shall hold office until their successors are elected and hold their first meeting.

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

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

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

(ii) Regardless of the percentage of Sites which have been conveyed, upon the expiration of fifty-four (54) months after the first conveyance of legal or equitable title to a nonDeveloper Owner of a Site in the Subdivision Condominium, the nonDeveloper Owners have the right to elect a number of members of the Board of Directors equal to the percentage of Sites they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Sites which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (i) above. Application of this subsection does not require a change in the size of the Board of Directors.

(iii) If the calculation of the percentage of members of the Board of Directors that the nonDeveloper Owners have the right to elect under subsection (ii), or if the product of the number of the members of the Board of Directors multiplied by the percentage of Sites held by the nonDeveloper Owners under subsection (b) results in a right

of nonDeveloper Owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the nonDeveloper Owners have the right to elect. After application of this formula, the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate one (1) director as provided in subsection (i).

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

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

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

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

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

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

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

(d) To rebuild improvements after casualty.

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

Subdivision Condominium, including, without limitation, the performance of any easement responsibilities as set forth in the Subdivision Condominium Documents.

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

(g) To grant easements, rights of entry, rights of way, and licenses to, through, over, and with respect to the Common Elements of the Subdivision Condominium on behalf of the members of the Association in furtherance of any of the purposes of the Association and to dedicate to the public any portion of the Common Elements of the Subdivision Condominium subject to the provisions of the Master Deed and the Copper Creek Agreement for Planned Residential Development, as amended; provided, however, that any such action shall also be approved by affirmative vote of more than sixty (60%) percent of all Owners.

(h) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the Association and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of more than sixty (60%) percent of all of Owners.

(i) To make and enforce reasonable rules and regulations in accordance with Article VI, Section 12 of these Bylaws and to make and enforce resolutions and policies in furtherance of any or all of the purposes of the Association or of the Subdivision Condominium Documents.

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

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

(l) To enforce the provisions of the Subdivision Condominium Documents.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto, but which shall not be an Owner or resident or affiliated

with an Owner or resident) at a reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Subdivision Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon sixty (60) days written notice thereof to the other party, and no such contract shall violate the provisions of Section 55 of the Act.

Section 6. Vacancies. Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any director whom it is permitted in the first instance, under these Bylaws, to designate. Vacancies among nonDeveloper Owner elected directors which occur prior to the Transitional Control Date may be filled only through election by nonDeveloper Owners and shall be filled in the manner specified in Section 2(b) of this Article.

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

Section 8. First Meeting. The first meeting of the newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time-to-time by a majority of the Board of Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally, by mail, telephone or telegraph, at least five (5) days prior to the date named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President upon three (3) days' notice to each director, given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) directors.

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

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

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

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

Section 15. Actions of First Board of Directors Binding. All of the actions (including, without limitation, the adoption of these Bylaws and any rules and regulations, policies or resolutions for the Association, and any undertakings or contracts entered into with others on behalf of the Association) of the First Board of Directors of the Association named in its Articles of Incorporation or any successors thereto appointed by the Developer before the First Annual Meeting of members shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly

elected by the members of the Association at the First Annual Meeting of members or at any subsequent annual meeting of members, provided that such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Subdivision Condominium Documents.

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

ARTICLE XII

OFFICERS

Section 1. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice-President, Secretary and a Treasurer. The directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two (2) offices except that of President and Vice-President may be held by one (1) person.

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

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

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

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

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

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

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

ARTICLE XIII

SEAL

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

ARTICLE XIV

FINANCE

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Owners. Such accounts and all other nonprivileged Association records shall be open for inspection by the Owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Site in the Subdivision Condominium shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The cost of any such audit and any accounting expenses shall be expenses of administration.

Section 2. Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the directors. Absent

such determination by the Board of Directors, the fiscal year of the Association shall be the calendar year. The commencement date of the fiscal year shall be subject to change by the directors for accounting reasons or other good cause.

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

ARTICLE XV

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

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

Section 2. Directors' and Officers' Insurance. The Association shall provide liability insurance for every director and every officer of the Association for the same purposes provided above in Section 1 and in such amounts as may reasonably insure against potential liability arising out of the performance of their respective duties. With the prior written consent of the Association, a director or an officer of the Association may waive any liability insurance for such director's or officer's personal benefit. No director or officer shall collect for the same expense or liability under Section 1 above and under this Section 2; however, to the extent that the liability insurance provided herein to a director or officer was not waived by such director or officer and is inadequate to pay any expenses or liabilities

otherwise properly indemnifiable under the terms hereof, a director or officer shall be reimbursed or indemnified only for such excess amounts under Section 1 hereof.

ARTICLE XVI

AMENDMENTS

Section 1. Proposal. Amendments 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 (1/3) or more of the Owners by instrument in writing signed by them.

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

Section 3. Voting. These Bylaws may be amended by the Owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than sixty-six and two-thirds (66-2/3%) percent of all Owners. No consent of mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of sixty-six and two-thirds (66-2/3%) percent of mortgagees shall be required with each mortgagee to have one (1) vote for each mortgage held. During the Construction and Sales Period, these Bylaws may not be amended in any manner so as to materially affect and/or impair the rights of the Developer, unless said amendment has received the prior written consent of the Developer. Notwithstanding anything to the contrary, no amendment may be made to Article III, Section 4 of these Bylaws at any time without the written consent of the Developer.

Section 4. By Developer. Prior to the Transitional Control Date, these Bylaws may be amended by the Developer in accordance with the Act without approval from any other person, including, but not limited to, amendments for the purpose of facilitating conventional mortgage loan financing for existing or prospective Owners and to enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the Federal government or the State of Michigan.

Section 5. When Effective. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Oakland County Register of Deeds.

Section 6. Binding. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Subdivision Condominium irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XVII

COMPLIANCE

The Association of Owners and all present or future Owners, tenants, land contract purchasers, or any other persons acquiring an interest in or using the facilities of the Subdivision Condominium in any manner are subject to and shall comply with the Act, as amended, and with the Subdivision Condominium Documents, and the mere acquisition, occupancy or rental of any Site or an interest therein or the utilization of or entry upon the Subdivision Condominium shall signify that the Subdivision Condominium Documents are accepted and ratified. In the event the Subdivision Condominium Documents conflict with the provisions of the Act, the Act shall govern. In the event any provision of these Bylaws conflicts with any provision of the Master Deed, the Master Deed shall govern.

ARTICLE XVIII

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 XIX

REMEDIES FOR DEFAULT

Section 1. Relief Available. Any default by an Owner shall entitle the Association or another Owner or Owners to the following relief:

(a) Legal Action. Failure to comply with any of the terms and provisions of the Subdivision Condominium Documents or the Act, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, 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 Owner or Owners.

(b) Recovery of Costs. In the event of a default of the Subdivision Condominium Documents by an Owner and/or non-Owner resident or guest, the Association shall be entitled to recover from the Owner and/or non-Owner resident or guest, the prelitigation costs and attorney fees incurred in obtaining their compliance with the Subdivision Condominium Documents. In any proceeding arising because of an alleged default by any Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees (not limited to statutory fees) as may be determined by the Court, but in no event shall any Owner be entitled to recover such attorney's fees. The Association, if successful, shall also be entitled to recoup the costs and

attorney's fees incurred in defending any claim, counterclaim or other matter from the Owner asserting the claim, counterclaim or other matter.

(c) Removal And Abatement. The violation of any of the provisions of the Subdivision Condominium Documents, including the rules and regulations promulgated by the Board of Directors of the Association hereunder, shall also give the Association, or its duly authorized agents, the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Site, where reasonably necessary, and summarily remove and abate, at the expense of the Owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Subdivision Condominium Documents. The Association shall have no liability to any Owner arising out of the exercise of its removal and abatement power authorized herein.

(d) Assessment of Fines. The violation of any of the provisions of the Subdivision Condominium Documents, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, by any Owner, in addition to the rights set forth above, shall be grounds for assessment by the Association of a monetary fine for such violation. No fine may be assessed unless the rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Owners in the same manner as prescribed in Article VI, Section 12 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owner and an opportunity for such Owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. Upon finding an alleged violation after an opportunity for hearing has been provided, the Board of Directors may levy a fine in such amount as it, in its discretion, deems appropriate. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws.

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

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

Section 4. Enforcement of Provisions of Subdivision Condominium Documents. An Owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the terms and provisions of the Subdivision Condominium Documents. An Owner may maintain an action against any other Owner for

injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Subdivision Condominium Documents or the Act.

ARTICLE XX

RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Subdivision Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or retained by Developer or its successors shall expire and terminate, if not sooner assigned to the Association, at the conclusion of the Construction and Sales Period, as same is defined in Article III, Section 14 of the Master Deed. The immediately preceding sentence dealing with the expiration and termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve and control the administration of the Subdivision Condominium and shall not, under any circumstances, be construed to apply to or cause the termination and expiration of any real property or contract rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents), which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby.

ARTICLE XXI

SEVERABILITY

In the event that any of the terms, provisions, or covenants of these Bylaws or the Subdivision 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.