

Nichwagh Ridge

EXHIBIT A

BYLAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

Nichwagh Ridge, a residential Condominium Project located in the Township of Green Oak (hereinafter "Township"), Livingston County, Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents 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(9) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his or her Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

ARTICLE II

ASSESSMENTS

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

Section 1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, 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; Regular Assessments. The Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. 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 payments as set forth in Section 2(c) below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Association of Co-owners should carefully analyze the Condominium Project 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 Association, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget. The annual assessments as so determined and levied shall constitute a lien against all Units as of the first day of the fiscal year to which the assessments relate. Failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish such lien or the liability of any Co-owner for any existing or future assessments. Should the Association at any time decide, in its sole discretion: (1) that the assessments levied are or may prove to be insufficient (a) to pay the costs of operation and management of the Condominium, (b) to provide replacements of existing Common Elements, (c) to provide additions to the Common Elements not exceeding \$1,000.00 annually for the entire Condominium Project, or (2) that an emergency exists, the Association shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Association also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 3 hereof. The discretionary authority of the Association to levy assessments pursuant to this subparagraph shall rest solely with the Association for the benefit of the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Association from time to time and approved by the Co-owners as hereinafter provided to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of a cost exceeding \$1,000.00 for the entire Condominium Project per year, (2) assessments to purchase a Unit 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 subparagraph 9(b) (but not including those assessments referred to in subparagraph 2(a) above, which shall be levied in the sole discretion of the Association) shall not be levied without the prior approval of more than 60% of all Co-owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or of the members thereof.

(c) Apportionment of Assessment. All assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with each Co-owner's proportionate share of the expenses of administration as provided in Article V, Section 2 of the Master Deed and without

increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit except as otherwise specifically provided in the Master Deed. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by Co-owners in periodic installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means.

Section 3. Developer's Responsibilities for Assessments. The Developer of the Condominium, although a member of the Association, shall not be responsible at any time for payment of the regular Association assessments. The Developer, however, shall at all times pay all expenses of maintaining the Units that it owns, including the improvements located thereon, together with a proportionate share of all current expenses of administration actually incurred by the Association from time to time. The Developer shall not be responsible for any share of expenses related to maintenance and use of the Units attributable to the fact that a home has been constructed within the Units that are not owned by Developer, such as garbage collection. For purposes of the foregoing, the proportionate share of such expenses attributable to the Developer shall be based upon the ratio of all Units owned by it at the time the expense is incurred to the total number of Units then in the Project. In no event shall the Developer be responsible for payment of any assessments for deferred maintenance, reserves for replacement, for capital improvements or other special assessments. For instance, the only expenses presently contemplated that the Developer might be expected to pay are a pro rata share of any liability insurance, snow plowing, General Common Element landscaping, and other administrative costs which the Association might incur from time to time and which relate to a Unit irrespective of whether there is a dwelling located thereon. Any assessments levied by the Association against the Developer for other purposes shall be void without Developer's consent. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs.

Section 4. Penalties for Default. The payment of an assessment shall be in default if any installment thereof is not paid to the Association in full on or before the due date for such installment. A late charge not to exceed \$25.00 per month per installment may be assessed automatically by the Association upon each installment in default for ten or more days until paid in full. The Association may, pursuant to Article XIX, Section 4 and Article XX hereof, levy fines for late payment of assessments in addition to such late charge. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorney's fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 5. Liens for Unpaid Assessments. Sums assessed by the Association which remain unpaid, including but not limited to, regular assessments, special assessments, fines and late charges, shall constitute a lien upon the Unit or Units in the Project owned by the Co-owner

at the time of the assessment and upon the proceeds of sale thereof. Any such unpaid sum shall constitute a lien against the Unit as of the first day of the fiscal year to which the assessment, fine or late charge relates and shall be a lien prior to all claims except real property taxes and first mortgages of record. All charges which the Association may levy against any Co-owner shall be deemed to be assessments for purposes of this Section and Section 108 of the Act.

Section 6. Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, 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. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon seven-day written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Article XIX, Section 4 of these Bylaws. All of these remedies shall be cumulative and not alternative.

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

(c) Notice of Action. 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 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s)

at his or their last known address, a written notice that one or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten 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's fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Livingston County Register of Deeds prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing. If the delinquency is not cured within the ten-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 delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

(d) Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secure by the lien on his Unit.

Section 8. Statement as to Unpaid Assessments. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. 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 a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing the same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act.

Section 9. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit).

Section 10. 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 including, but not limited to, a proposed Special Assessment District to be created for the paving of Dixboro Road for which all Co-Owners shall participate on a pro-rata basis upon the establishment thereof.

Section 11. Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 12. Construction Lien. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

ARTICLE III

ARBITRATION ARBITRATION AND LITIGATION

Section 1. Arbitration among or between Co-Owners and the Association.

(a) Scope and Election. Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between the Co-owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties thereto shall accept the arbitrator's 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.

(b) Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 1(a) above, no Co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

(c) Election of Remedies. Such election and written consent by Co-owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

Section 2. Arbitration between the Developer and Co-owner(s) and/or the Association. By purchase of a Unit, Co-owners agree as follows:

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

(b) With respect to any claim that might be the subject of a civil action between Co-owner and the Developer, which claim involves an amount of Two Thousand Five Hundred Dollars (\$2,500.00) or more and arises out of or relate to a Condominium Unit

or the Condominium Project, such claim shall be settled by arbitration.

(c) At the exclusive option of the Association, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim arises out of or relates to the common elements of the Condominium Project, if the amount of the claims is Ten Thousand Dollars (\$10,000.00) or less.

(d) With respect to any claim that might be the subject of a civil action between the Association and the Developer, which claim arises out of or relates to the common elements of the Condominium Project, if the amount of the claim is in excess of Ten Thousand Dollars (\$10,000.00) such claim shall be settled by arbitration.

(e) With respect to all arbitration under this Section 2, (i) judgment of the circuit court of the State of Michigan for the jurisdiction in which the Condominium Project is located may be rendered upon any award pursuant to such arbitration and the parties thereto shall accept the arbitrator's decision as final and binding, (ii) the Commercial Arbitration Rules of the American Arbitration Association, as amended and in effect from time to time hereafter, shall be applicable to such arbitration, and (iii) this agreement herein to arbitrate precludes the parties from litigating such claims in the courts.

(f) Nothing in this Action 2 shall, however, prohibit a Co-owner from maintaining an action in court against the Association and its officers and directors to compel these persons to enforce the terms and provisions of the Condominium Documents, nor to prohibit a Co-owner from maintaining an action in court against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

Section 3. Litigation.

(a) Prior to commencing a civil action on behalf of the Association, other than an action to enforce the Condominium Documents or to collect delinquent assessments, the Board of Directors shall (i) issue a written report to all members at least 10 days prior to the Evaluation Meeting as hereinafter defined, outlining their recommendation that a civil suit be filed, including full disclosure of all attempts to settle the controversy, (ii) call a special meeting of the Co-owners for the express purpose of evaluating the merits of the proposed litigation ("Evaluation Meeting"); (iii) present to the Co-owners prior to or at the Evaluation Meeting the litigation attorney's proposed written fee agreement including the total estimated cost of the civil action through a trial on the merits, a written estimate of the amount of the Association's likely recovery in the suit net of legal fees, court costs, expert witness fees and all other expenses expected to be incurred in the litigation, the billing and payment policies of the litigation attorney and a commitment to provide written status reports of the litigation, settlement progress and updated cost and recovery estimates no less than every 60 days.

(b) At the Litigation Evaluation Meeting the Co-owners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney proposed by the Board of Directors.

The commencement of any civil action by the Association (other than a suit to enforce these Bylaws or collect delinquent assessments) must be approved by 66 2/3% of the Co-owners.

(c) All fees estimated to be incurred in pursuit of any civil action subject to paragraphs (a) and (b) above shall be paid only by special assessment of the Co-owners, which special assessment must be approved at the Evaluation Meeting. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty-four (24) months unless otherwise provided in the authorization approved by 66 2/3% of the Co-owners.

ARTICLE IV

INSURANCE

Section 1. Extent of Coverage. The Association shall, to the extent appropriate in light of the nature of the General Common Elements of the Project, carry extended coverage, vandalism and malicious mischief and liability insurance (in a minimum amount to be determined by the Developer or the Association in its discretion, but in no event less than \$1 Million per occurrence), officers' and directors' liability insurance, and workmen's compensation insurance, if applicable, and any other insurance the Association may deem applicable, desirable or necessary, pertinent to the ownership, use and maintenance of the General Common Elements and such insurance shall be carried and administered in accordance with the following provisions:

(a) Responsibilities of Association. All such insurance shall be purchased by the Association for the benefits of the Association, the Developer and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners, upon request of a mortgagee.

(b) Insurance of Common Elements. All General Common Elements of the Condominium Project shall be insured against perils covered by a standard extended coverage endorsement, if applicable and appropriate, in an amount equal to the current insurable replacement value as determined annually by the Board of Directors of the Association. The Association shall not be responsible, in any way, for maintaining insurance with respect to Limited Common Elements.

(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. If applicable, proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the Co-owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring 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 for repair, replacement or

reconstruction of the Project unless all of the institutional holders of first mortgages on Units in the Project have given their prior written approval.

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his or her 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 workmen's compensation insurance, if applicable, pertinent to the Common Elements appurtenant to the Condominium, with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing. Unless the Association obtains coverage for the dwelling within the Unit pursuant to the provisions of Article IV, Section 3 below, the Association's authority shall not extend to insurance coverage on any dwelling or other improvement located within a Unit.

Section 3. Responsibilities of Co-owners. Each Co-owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the dwelling and all other improvements constructed or to be constructed within the perimeter of his or her Condominium Unit and for his or her personal property located therein or thereon or elsewhere on the Condominium Project. There is no responsibility on the part of the Association to insure any of such improvements whatsoever. All such insurance shall be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner hereunder. In the event of the failure of a Co-owner to obtain such insurance or to provide evidence thereof to the Association, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefor shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article II hereof. Each Co-owner also shall be obligated to obtain insurance coverage for his or her personal liability for occurrences within the perimeter of his or her Unit or the improvements located thereon (naming the Association and the Developer as insureds), and also for any other personal insurance coverage that the Co-owner wishes to carry. Such insurance shall be carried in such minimum amounts as may be specified by the Association and such coverage shall not be less than \$1 Million (and as specified by the Developer during the Development and Sales Period) and each Co-owner shall furnish evidence of such coverage to the Association or the Developer upon request. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so.

Section 4. Waiver of Right of Subrogation. The Association and all Co-owners shall use their best efforts to cause all property and liability insurance carried by the Association or any Co-owner to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

Section 5. Indemnification. Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer and the Association for all damages and costs, including attorneys' fees, which such other Co-owners, the Developer or the Association may suffer as a result of defending any claim arising out of an occurrence on or within such individual Co-owner's Unit and shall carry insurance to secure this indemnity if so construed to give any insurer any subrogation right or other right or claim against any individual Co-owner, however.

ARTICLE V

RECONSTRUCTION OR REPAIR

Section 1. Responsibility for Reconstruction or Repair. If any part of the Condominium Premises shall be damaged, the determination of whether or not it shall be reconstructed or repaired, and the responsibility therefor, shall be as follows:

(a) General Common Elements. If the damaged property is a General Common Element, the damaged property shall be rebuilt or repaired unless all of the Co-owners and all of the institutional holders of first mortgages on any Unit in the Project unanimously agree to the contrary.

(b) Unit or Improvements Thereon. If the damaged property is a Unit or any improvements thereon, the Co-owner of such Unit alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property, and such Co-owner shall in any event remove all debris and restore his or her Unit and the improvements thereon to a clean and sightly condition satisfactory to the Association and in accordance with the provisions of Article VI hereof as soon as reasonably possible following the occurrence of the damage.

Section 2. Repair in Accordance with Master Deed, Etc. Any such reconstruction or repair of an improvement within the General Common Elements shall be substantially in accordance with the Master Deed and the original plans and specifications of the improvements unless the Co-owners shall unanimously decide otherwise.

Section 3. Association Responsibility for Repair. Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 4. Timely Reconstruction and Repair. If damage to the General Common Elements adversely affects the appearance of the Project, the Association shall proceed with replacement of the damaged property without delay.

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

(a) Taking of Unit or Improvements Thereon. In the event of any taking of all or any portion of a Unit or any improvements thereon by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear, notwithstanding any provision of the Act to the contrary. If a Co-owner's entire Unit is taken by eminent domain, such Co-owner and his or her mortgagee shall, after acceptance of the condemnation award therefor, be divested of all interest in the Condominium Project.

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

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

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

(e) Applicability of the Act. To the extent not inconsistent with the foregoing provisions, Section 133 of the Act shall control upon any taking by eminent domain.

Section 6. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Co-owner or any other party priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI

RESTRICTIONS

All of the Units in the Condominium shall be held, used and enjoyed for single family residential purposes only subject to the following limitations and restrictions:

Section 1. Leasing and Rental.

(a) Right to Lease. A Co-owner may lease or sell his or her Unit for the same purposes set forth above; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b) below. With the exception of a lender in possession of a Unit following a default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium and no tenant shall be permitted to occupy except under a lease the initial term of which is at least 1 year unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in its discretion.

(b) Leasing Procedures. The leasing of Units in the Project shall conform to the following provisions:

(1) A Co-owner, including the Developer, desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least 10 days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. If the Developer desires to rent Units before the Transitional Control Date, he shall notify either the Advisory Committee or each Co-owner in writing.

(2) Tenants and non-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases and rental agreements shall so state.

(3) If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

(i) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant.

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

(iii) If after 15 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the General Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium Project.

(4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant.

Section 2. Architectural Control and Restrictions. No structure shall be erected, constructed or permitted to remain on any Unit unless the structure has been approved by the Developer in accordance with Section 2(a) of this Article and also complies with the remaining restrictions and requirements of this Article, unless any non-compliance has been waived pursuant to this Article. Furthermore, any construction or maintenance activities for or on any structure or Unit shall be performed strictly in accordance with the restrictions and requirements of this Article.

(a) Review Procedure; Submission Requirements.

(1) The Developer intends that all structures on any Unit or otherwise within the Condominium shall be designed, developed and constructed so as to be harmonious, complimentary and dignified, so that the Condominium provides a refined and exclusive environment of the highest architectural, construction and aesthetic standards. To assure such standards, the Developer hereby reserves the right to approve, disapprove and otherwise pass upon the design, appearance, construction or other attributes of any structure proposed to be erected or maintained on a Unit, and no structure shall be permitted or allowed with respect to a Unit unless the same has received in writing the approval of the Developer pursuant to the terms and conditions of this Article.

(2) There shall be a two-step submittal process for obtaining the approval of the Developer for any dwelling to be erected, constructed, maintained or rebuilt on any Unit or in any other part of the Condominium. The Developer's approval in writing of each of the submittals must be obtained before construction of any dwelling may be started. The Developer may in its discretion waive any required procedure to expedite the review procedure.

(i) The first step shall be application for "Concept Approval." In connection with seeking Concept Approval, the Unit Owner or his or her representative shall submit (A) a topographic survey of the Unit prepared by a registered engineer or surveyor, showing existing grades and the location of all trees having a diameter at ground level of six (6") inches or more; (B) a conceptual site plan showing the location of all proposed structures on the Unit; (C) a conceptual floor plan, and (D) conceptual front and rear elevation drawings of the proposed dwelling, including a description of colors and types of exterior materials. Concept Approval shall be deemed to have been granted when the Developer has approved all of the foregoing submissions.

(ii) The second step shall be application for "Final Approval." In connection with seeking Final Approval, the Unit Owner or his or her representative shall submit (A) all prints, plans, and other matters submitted or required to be submitted to the Township to procure a building permit; (B) a dimensioned site plan sealed by registered engineer showing setbacks, existing and proposed elevations, and all trees on the Unit having a diameter at ground level of six (6") inches or more, including an indication as to which trees are to be removed; (C) complete building plans sealed by a registered architect; (D) a construction schedule specifying completion dates for foundations, rough-in, and the dwelling as a whole; (E) a list of exterior materials and colors, including samples if not already submitted; and (F) any other materials reasonably required by the Developer. Final Approval shall be deemed to have been granted when the Developer has approved all of the foregoing submissions. No approval shall be effective unless given by the Developer in writing. If a dwelling or other improvement or any aspect or feature thereof is not in strict conformity with the requirements or restrictions set forth in this Article, the nonconformity shall be permitted only if the Developer specifically approves or waives the nonconformity in writing.

(3) Complete written plans for any structure other than a dwelling shall be submitted to the Developer prior to installation or construction. Such plan shall contain sufficient detail to enable the Developer to pass upon its suitability for the Condominium. The Developer shall approve or disapprove in writing plans submitted under this Section within ten (10) business days of receipt of the plans.

(4) A complete landscape plan must be submitted to the Developer prior to completion of the dwelling. Such plan shall contain sufficient detail to enable the Developer to pass upon its suitability for the Condominium and to determine if the proposed landscaping complies with the requirements set forth in Section 2(B)(5) below. Utility boxes, including without limitation, electrical transformer boxes, must be adequately screened by landscaping.

(5) No alteration, modification, substitution or other variance from the designs, plans, specifications and other submission matters which have been approved by the Developer shall be permitted or suffered on any Unit unless the owner thereof obtains the Developer's written approval for such variation. So long as any such variance is minimal, the owner need not go through the entire submittal process again, but in any event the owner must submit sufficient information (including materials samples and the like) as the Developer, in its sole discretion, determines is required to permit the Developer to decide whether or not to approve the variance. The Developer's approval of any variance must be obtained irrespective of the fact that the need for the variance arises for reasons beyond the owner's control (e.g., material shortages or the like).

(6) In making any of the written submissions contemplated in this Article, the owner shall cause two (2) copies thereof to be submitted to the Developer. One copy shall be returned to the owner after the Developer has approved or disapproved the submission, and one (1) copy shall be retained by the Developer for its files.

(7) As of the recording date of the Master Deed, Joseph Malecke shall be the agent who will evaluate and render decisions on behalf of the Developer with respect to matters submitted to the Developer pursuant to these Bylaws. No approval, waiver of other action to be taken by the Developer shall be effective unless approved by Joseph Malecke or an agent designated in writing by either of them. No Unit Owner may rely on any approvals, waivers or other decisions granted by any other person, including other employees of the Developer. No agent, employee, consultant, attorney or other representative or adviser of or to the Developer shall have any liability with respect to decisions made, actions taken or opinions rendered relative to matters submitted to the Developer under this Article.

(8) The Developer reserves the right to assign, delegate or otherwise transfer its rights and powers of approval as provided in these Bylaws, including without limitation an assignment of such rights and powers to the Architectural Control Committee described below or to any mortgagee.

(b) Restrictions and Requirements. The following restrictions and requirements shall apply to every Unit in the Condominium, and no structure shall be erected, constructed or maintained on any Unit which violate such restrictions and requirements, except to the extent any nonconformity has been waived by the Developer pursuant to Section (f) below:

(1) All elevations shall be traditional in style of superior quality. Each ranch style dwelling (determined to be such by the Developer) must have a minimum livable floor area of two thousand four hundred (2,400) square feet; each bi-level style dwelling (determined to be such by the Developer) having a master bedroom on the first (1st) floor must have a minimum livable floor area of two thousand eight hundred (2,800) square feet; and each colonial style dwelling must have a minimum livable floor area of two thousand eight hundred

(2,800) square feet. For purposes of this Section, garages, patios, decks, open porches, entrance porches, terraces, basements, lower levels, storage sheds and the like shall be excluded in determining the livable floor area, whether or not they are attached to the dwelling. Enclosed porches shall be included in determining the livable floor area only if the roof of the porch forms an integral part of the roof line of the main dwelling.

(2) No structure shall be placed, erected, altered or located on any Unit nearer to the front, side or rear Unit line than is permitted by the ordinance of the Township at the time the same is erected. In addition, any dwelling or building shall meet the following setback requirements of the Developer which are stricter than those required by the Township:

- (i) A minimum of forty (40') feet from the front Unit line;
- (ii) A minimum of forty-five (45') feet from the rear Unit line; and
- (iii) A minimum of fifteen (15') feet from each side Unit line with a total of 40 feet.

The Developer shall have the right (but not any obligation) to permit setbacks less than those set forth above if, in its sole discretion, the grade, soil or other physical conditions on a Unit justify such a variance and the setbacks conform to those set forth in the Township zoning ordinances. In addition, each dwelling shall be oriented on the Unit to face the road on which it is located. The Developer shall have the right (but not any obligation) to permit dwellings to be orientated other than set forth above if, in its sole discretion, the grade, soil or other physical conditions or aesthetic reasons justify such a variance and such is permitted by the ordinances of the Township.

(3) The exterior of all buildings must be primarily brick or stone (no yellow or green brick shall be allowed). No aluminum or vinyl siding may be used on any dwelling, building or other structure. No texture 1-11 may be used on the exterior of any structure. No exterior brick may be painted without the prior written approval of the Developer. In connection with applying for such approval, the Unit Owner shall submit such paint and brick samples as the Developer may request to assist it in determining whether or not to approve the painting of exterior brick. All roof pitches must be a minimum of 8/12 or otherwise approved by the developer.

(4) All driveways shall be paved with concrete, asphalt, or brick pavers, and shall be completed prior to occupancy, or as soon as weather permits thereafter. No front entrance garages shall be erected or maintained, and all garages shall be attached to the dwelling. The Developer shall have the sole and conclusive authority to determine what constitutes a front entrance garage. All culverts must be consistent in appearance and type and approved by the developer.

(5) Each Unit must be landscaped within the time limits set forth in Section 2(c)(3) of this Article in accordance with a landscaping plan approved by the Developer. The reasonable value of the landscaping surrounding a dwelling, as reflected in the landscaping plan to be approved by the Developer pursuant to Section 2(a)(4) of this Article, shall be not less than twenty thousand (\$20,000.00) dollars, excluding landscape architectural fees. The Developer shall have the right to determine the reasonable value of the proposed landscaping. After landscaping has been installed, the Unit Owner shall maintain it in a good and sightly condition consistent with the approved landscaping plan. If, at the time of conveyance from Developer, construction of a dwelling on the Unit has commenced or has been completed, but the landscaping has not been completed, the Developer may, in its sole discretion, require the purchaser of the Unit to place into escrow with the Developer a deposit equal to the reasonable cost of installing the landscaping for the Unit pursuant to the approved landscaping plan, but in any event not less than seven thousand five hundred dollars (\$7,500.00). If, at the time of conveyance from Developer, construction of a dwelling has not been commenced on the Unit, the Developer may, in its sole discretion, at the time plans are submitted to the Developer for approval of the dwelling, require the owner of the Unit to place into escrow with the Developer a deposit equal to the reasonable costs of installing the landscaping for the Unit, but in any event not less than seven thousand five hundred dollars (\$7,500.00). All landscape deposits made shall be released to the owner upon completion of the landscaping pursuant to an approved landscape plan. To the extent that the deposit earns interest, the interest shall be paid to the owner of the Unit at such time as the landscaping of the Unit has been completed pursuant to the approved landscaping plan; provided, the Developer shall not be required to maintain the deposit in an interest-bearing account or to otherwise generate a return on the deposit.

(6) Subject to any approvals and/or permits which may be required to be obtained from the Township, in ground swimming pools, hot tubs and spas may be installed in rear yard areas but only upon specific written approval of the Developer based upon plans and specifications therefor. Such approval shall not be unreasonably withheld but may be reasonably conditioned upon compliance with adequate screening and other aesthetic requirements. Above the ground swimming pools are prohibited.

(7) No fence, wall or hedge of any kind shall be erected or maintained on any Unit without prior written approval of the Developer. No fence, wall or hedge shall be maintained or erected which blocks or hinders vision at street intersections. No chain link fences shall be permitted on any Unit. Notwithstanding the foregoing, a temporary fence, wall or hedge may be erected on a Unit on which a model dwelling is located provided that it is removed once the dwelling ceases to be used as a model dwelling.

(8) No metal flues shall be installed or maintained for any purpose, including without limitation for fireplaces, furnaces, water heaters or stoves; provided, however, the Developer may approve metal flues for fireplaces only.

at the rear of a dwelling, not visible from the street, and provided that such flue has either a face brick or dryvit material on the exterior surface of the chimney; under no circumstances will wood chimneys be allowed. Each dwelling shall have at least one masonry fireplace.

(9) Prior to installation of an antenna or satellite dish (either is hereafter referred to as "antenna"), a Co-owner must seek the written approval of the Developer, during the Development and Sales period, and the Association thereafter for the height and location of: (i) an antenna that is designed to receive direct broadcast satellite service, including direct-to-home satellite services, that is one meter or less in diameter; and (ii) an antenna that is designed to receive video programming service via multipoint distribution services, instructional television fixed services, and local multipoint distribution services, and that is one meter or less in diameter or diagonal measurement; and (iii) an antenna that is designed to receive television broadcast signals. The Developer and Association may not, in the approval process, unreasonably delay or prevent installation, maintenance or use of antenna, unreasonably increase the cost of installation, maintenance or use, or preclude reception of an acceptable quality signal. No antenna other than as described in this paragraph shall be allowed.

(10) Dog kennels or runs or other enclosed shelters for permitted animals are not allowed.

(11) No single-level flat roofs shall be permitted on the entire main body of any dwelling or other structure. Flat roofs may be installed over Florida rooms, porches or patios, and tasteful flat roofs may be installed on multiple levels of a dwelling, but only if approved by the Developer. The minimum pitch of any roof shall be 8/12 (vertical/horizontal) unless the Developer agrees (in writing) to permit a lesser pitch.

(12) Basketball hoops or backboards may be permitted with the prior written approval of the Developer.

(13) No signs, including "for rent", "for sale", architect, builder, contractor, landscaper, landscape architect or other signs shall be erected or maintained on any Unit except as follows:

(i) With prior written approval by the Developer during the construction of a dwelling, a sign may be erected to identify the Unit number of the Unit and the name of the builder. The Developer may withhold approval in its sole discretion. The size, location, color, and content of any sign permitted by the Developer shall be as specified by the Developer, and may include the Developer's logo.

(ii) A street address sign may be erected in connection with the construction of a dwelling on a Unit. The size, content, location and color of the sign shall be specified by the Developer.

(14) No external air conditioning unit shall be placed in or attached to a window or wall of any structure. No compressor or other component of an air conditioning system, heat pump, or similar system shall be visible from the road, provided, however, that with respect to a newly constructed dwelling or a newly installed air conditioning system, but in no event more than one hundred twenty (120 days) to install landscaping for purposes of screening said air conditioning system, heat pump or similar system before there shall be deemed to be a violation of this provision. To the extent reasonably possible external components of an air conditioning system, heat pump or like system shall be located so as to minimize any disruption or negative impact thereof on adjoining Units in the Condominium in terms of noise or view. The Developer shall have conclusive authority to determine whether a system complies with the foregoing requirements.

(15) The Developer shall select and approve and supply standard mailboxes for use throughout the Condominium at a cost to each Co-owner of \$150. Any and all replacement mailboxes must match the originally approved mailbox.

(16) No awning, flag poles, volleyball courts, basketball courts or tennis courts may be installed without the prior written consent of the Developer.

(17) Each Co-owner shall install a coach light twenty-five (25') feet from the edge of the road next to the driveway for streetlight. The coach light must be on a photocell and maintained by the resident.

(c) Restrictions and Requirements Relative to Construction Activities. The Developer hereby reserves the right to establish and enforce such rules and regulations relative to the performance of construction activities within the Condominium (whether or not in connection with the construction, repair or maintenance of a residential or other structure) as the Developer determines to be appropriate in order to maintain the tranquility, appearance and desirability of the Condominium. Unless waived by the Developer in writing, the following restrictions and requirements shall apply to any construction activities within the Condominium:

(1) All construction activities must be started within six (6) months of the time specified in the construction schedule submitted to and approved by the Developer pursuant to Section 2(a)(2)(ii) of this Article. Prior to commencement of construction, the owner must obtain all permits or approvals required by the Township.

(2) Once commenced, all construction activity shall be carried out with reasonable diligence, and the exterior of all dwellings and other structures must be completed as soon as practical after construction commences and in any event within eighteen (18) months after such commencement, except where such completion is impossible or would result in exceptional hardship due to strikes, fires, national emergencies or natural calamities.

(3) All landscaping must be completed as soon as possible but, in any event, within one hundred twenty (120) days after initial occupancy of the dwelling or, in the case of speculative or unsold homes, within one hundred twenty (120) days after the exterior of the dwelling has been (or with due diligence should have been) substantially completed.

(4) The following requirements shall apply to the construction of structures within the Condominium (unless the same are specifically waived, in whole or in part, by the Developer in writing), which requirements shall be in addition to and not in lieu of other requirements set forth in these Bylaws or established pursuant to the terms of these Bylaws:

(i) No structure shall be constructed on any Unit in the Condominium unless prior to the commencement of construction the owner and the general contractor or builder enter into an agreement acceptable to the Developer whereby they agree to: (A) maintain a dumpster or other form of trash receptacle on the Unit during the course of construction; (B) deposit all trash, garbage, scraps and other disposable items therein; (C) keep the Unit in a sightly and clean condition during the course of construction; (D) remove from the Unit the dumpster and all trash, garbage, scraps or other debris arising during construction activities and otherwise restore the Unit to a sightly and clean condition promptly after completion of construction; and (E) to the extent possible, keep all dirt, mud and other debris from accumulating on any road during and after construction, including by cleaning or sweeping the road at intervals specified by the Developer and by cleaning the road again upon completion of construction. The Developer shall have the authority to determine whether or not an owner or an owner's general contractor or builder is in compliance with the foregoing requirements and obligations.

(ii) If for any reason the Developer does not require the execution of such an agreement, each owner of a Unit and the general contractor or builder of any Structure on a Unit shall nevertheless observe and perform the requirements and obligations set forth herein.

(iii) The Developer shall have the right to require an owner or any general contractor or builder retained by an owner to post as security for its obligations hereunder a deposit in the amount of one thousand five hundred (\$1,500.00) dollars. Such requirement may be made as a condition precedent to the commencement of construction or may be imposed by the Developer at any subsequent time. The deposit shall be held by the Developer and need not be segregated by the Developer, although the Developer shall maintain separate records with respect to the disposition thereof. In no event shall interest be payable with respect to the deposit, whether or not the Developer earns interest thereon.

(iv) In the event that the owner, general contractor or builder fails to observe or perform any responsibility or obligation under this Section or under any agreement called for in this Section, the Developer shall have the right (but not any obligation) to enter upon the Unit and correct or rectify such failure, including by installing or relocating a dumpster, disposing of debris and sweeping or otherwise cleaning the road. The Developer shall be entitled to be reimbursed by the Unit Owner and the general contractor or builder for all costs incurred by the Developer in connection with correcting or rectifying such failure, which reimbursement may be deducted from the aforementioned deposit or may be billed by the Developer to the Unit Owner, which bill shall be payable by the Unit Owner within five (5) days after the submission thereof.

(v) The Developer intends to provide as much advance notice as it reasonably feasible (but in no event more than five (5) days advance notice) prior to taking any corrective or rectifying action under this Section which would entail an expense in excess of two hundred fifty (\$250.00) dollars. If dirt, mud or debris accumulates on a road and could be attributable to construction activities on more than one Unit, the Developer shall have the right in its sole discretion to determine the extent to which the same is attributable to each Unit, and to apportion the cost of and responsibility for cleaning, sweeping or otherwise removing the mud or debris among the relevant Units.

(vi) The dumpster required under this Section shall be located so that it is as unobtrusive as reasonably possible.

(5) No trees measuring six (6") inches or more in diameter at ground level may be removed without the prior written approval of the Developer. Prior to commencement of construction, each Unit Owner shall submit to the Developer for its written approval, a plan for the preservation of trees in connection with the construction process. Tree protection measures on a Unit-by-Unit basis will be in accordance with the procedures and guidelines of the Township. Any trees measuring four (4") inches or more in diameter at ground level which are removed or destroyed in the construction process outside the building envelope including septic system, either intentionally or accidentally, shall be replaced with trees of the same sort and size unless the Developer waives such requirement in its sole discretion. It shall be the responsibility of each owner of a Unit to maintain and preserve all such trees on the Unit, which responsibility shall include welling trees, if necessary.

(6) Vacant Units and Units on which construction has been commenced shall be mowed or cut on a regular basis during the growing season.

(d) Additional Restrictions and Regulations; Easements. In addition to the restrictions or regulations specified above, the restrictions and regulations set forth in

Sections 1 through 13 below shall apply to each Unit in the Condominium and any owner or occupant thereof.

(1) Upon sale or conveyance to individual purchasers, all Units in the Condominium shall be used only for single family residential purposes. For the purposes of this Article, a "single family" shall be deemed to include a Unit Owner, a Unit Owner's spouse and the Unit Owner's children, but shall not include multiple family units, even if one or more members of each family have an ownership or other interest in the Unit. Except as specifically permitted herein, no dwelling shall be erected, altered, placed or permitted to remain on any Unit other than one (1) detached single family dwelling, the height of which shall not exceed two and a half (2-1/2) stories. The Developer shall have the sole and conclusive authority to determine what constitutes two and a half (2-1/2) stories in height for the purpose of the preceding sentence. Each dwelling shall include an attached garage, and may include such outbuildings or other accessory structures as the Developer may approve in writing. No part of any dwelling or other structure shall be used for any activity normally conducted as a business, trade or profession; provided, however, this prohibition shall not apply to (a) maintaining a personal professional library (b) keeping personal records or transacting personal business, or (c) participating in personal, business or professional telephone calls or correspondence.

(2) No structure of a temporary character shall be placed upon any Unit at any time; provided, however, that this prohibition shall not apply to shelters approved by the Developer and used by a contractor during the construction of Project improvements or a dwelling. No such temporary shelter shall be used at any time as a residence or be permitted to remain on a Unit after substantial completion of construction of the dwelling.

(3) No mobile home, trailer, house or camping trailer, tent, shack, tool storage shed, barn tree house or other similar structure shall be placed on any Unit at any time, either temporarily or permanently.

(4) No trailers, trucks, pick-up trucks, boats, boat trailers, aircraft, commercial vehicles, campers or other recreational vehicles or other vehicles except passenger cars, passenger vans and minivans, shall be parked or maintained on any Unit unless in a suitable private garage which is built in accordance with the restrictions set forth herein. No abandoned, inoperable or seldom used passenger cars, passenger vans or minivans shall be parked or maintained on the driveway of any Unit for any extended period of time, it being intended that only vehicles in active use will be parked on driveways or otherwise maintained outside of a private garage. No off-road or all terrain motorcycles, snowmobiles or like vehicles designed primarily for off-road use shall be maintained or operated in the Condominium.

(5) No watersoftner shall discharge into the community septic system

(6) Each owner shall maintain his or her Unit and lawn, garden, landscaping and structures thereon in good and attractive condition to present an excellent appearance from the road. Each Unit Owner shall prevent the development of any unclean, unsightly or unkept conditions of buildings or grounds on the Unit which might negatively affect the beauty or attractiveness of the neighborhood as a whole or the specific area. Such obligation shall apply whether or not the owner has constructed a dwelling on the Unit. As soon as practical after purchasing a Unit from the Developer, a Unit Owner shall remove all dead or seriously diseased trees from the Unit. Each Unit Owner shall promptly remove any trees that die or become seriously diseased thereafter.

(7) No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any Unit without the prior written approval of the Developer.

(8) No noxious or offensive activity shall be conducted upon any Unit, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. The burning of trash, leaves or other debris on a Unit is prohibited.

(9) The Developer reserves the right to enter (or have designees enter) upon any Unit for the purpose of mowing, removing, clearing, cutting or pruning any underbrush, weeds or other unsightly or inappropriate growth which in the sole discretion of the Developer detracts from the overall beauty, setting or safety of the Condominium. The owner of the Unit shall be obligated to reimburse the Developer for the cost of any such activities. Such entrance or other action as aforesaid shall not be deemed a trespass. The Developer and its designees likewise may enter upon a Unit to remove any trash or debris which has collected or accumulated on such Unit at the Unit Owner's expense and without such entrance and removal being deemed a trespass. The provisions of this paragraph shall not be construed as imposing any obligation on the Developer to mow, clear, cut or prune any Unit, or to provide garbage or trash removal services.

(10) Wetlands Conservation Easement. In the Private Easement for Wetlands Preservation as depicted on the Condominium Subdivision Plan ("Wetlands Easement"), Unit Owners shall refrain from altering the topography of, placing fill material in, dredging, removing or excavating any soils or minerals from, draining surface water from, constructing or placing any structure on, plowing, tilling, cultivating or otherwise altering or developing the Wetlands Easement. Unit Owners shall not disturb the boundary markers of the Wetlands Easement placed by Developer to demarcate the boundary of the Wetlands Easement. Unit owners shall not place culverts and fill drainage ditch other than that required for approved driveway.

(e) Standard for Developer's Approvals; Exculpation from Liability.

(1) In reviewing and passing upon the plans, drawings, specifications, submissions and other matters to be approved or waived by the Developer under this Article, the Developer intends to ensure that the structures meet the requirements set forth in this Article; however, the Developer reserves the right to waive or modify such restrictions or requirements pursuant to Section 2(f) of this Article. In no event shall a waiver or other grant of relief by the Developer as to one Unit entitle any other Unit Owner to a waiver or other relief, whether or not the waiver or relief sought is similar to the waiver or relief granted the other Unit Owner.

(2) In addition to ensuring that all structures comply with the requirements and restrictions of this Article, the Developer (or Architectural control Committee, to the extent approval powers are assigned to it by the Developer) shall have the right to base its approval or disapproval of any plans, designs, specifications, submissions or other matters on such other factors, including completely aesthetic considerations, as the Developer (or the Architectural Control Committee) in its sole discretion may determine appropriate or pertinent. The Developer currently intends to take into account the preservation of trees and of the natural setting of the Condominium in passing upon plans, designs, drawings, specifications and other submissions. Except as otherwise expressly provided herein, the Developer or the Architectural Control Committee, as the case may be, shall be deemed to have the broadest discretion in determining what dwellings, fences, walls, hedges, or other structures will enhance the aesthetic beauty and desirability of the Condominium, or otherwise further or be consistent with the purpose for any restrictions.

(3) In no event shall either the Developer (or the agents, officers, employees or consultants thereof) or any member of the Architectural Control Committee have any liability whatsoever to anyone for any act or omission contemplated herein, including without limitation the approval or disapproval of plans, drawings, specifications, elevations or the dwellings, fences, walls, hedges or other structures subject thereto, whether such alleged liability is based on negligence, tort, express or implied contract, fiduciary duty or otherwise. By way of example, neither the Developer nor any member of the Architectural Control Committee shall have liability to anyone for approval of plans, specifications, structures or the like which are not in conformity with the provisions of this Declaration, or for disapproving plans, specifications, structures or the like which arguably are 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 or any other person for any decision of the Developer (or alleged failure of the Developer to make a decision) relative to the approval or disapproval of a structure or any aspect or other matter which the Developer reserves the right to approve or waive under these Bylaws.

(4) The approval of the Developer (or the Architectural Control Committee, as the case may be) of a structure or other matter shall not be construed as a representation or warranty that the structure or matter is properly designed or that it is in conformity with the ordinances or other requirements of

the Township or any other governmental authority. Any obligation or duty to ascertain any such non-conformities, or to advise the owner or any other person of the same (even if known), is hereby disclaimed.

(f) Developer's Right to Waive or Amend Restrictions and Requirements.

Notwithstanding anything herein to the contrary, the Developer reserves the right to approve any structure or activities otherwise proscribed or prohibited hereunder, or to waive any restriction or requirement provided for in these Bylaws, if in the Developer's sole discretion such is appropriate in order to maintain the atmosphere, architectural harmony, appearance and value of the Condominium and the Units therein, or to relieve the owner of a Unit or a contractor from any undue hardship or expense. In no event, however, shall the Developer be deemed to have waived or be estopped from asserting its right to require strict and full compliance with all rules, regulations, restrictions and requirements set forth herein, unless the Developer indicates its intent and agreement to do so in writing and, in the case of an approval of nonconforming structures, the requirements of Section 2(a)(2) in the case of a dwelling or in the case of any other structure, Section 2(a)(3) of this Article are met. Notwithstanding the foregoing, if the Developer's rights to approve structures or other activities are assigned or otherwise transferred to the Architectural Control Committee and the members of such committee are appointed by the Association, such Committee shall not have the authority to waive any specific and object restrictions explicitly set forth or established in this Article in its sole discretion, but shall have the right to waive the same if, in the reasonable judgment of a majority of the members of the Committee, the waiver is reasonable under all of the circumstances, will not create undue hardship on other Unit Owners, and will not frustrate the basic intent of this Article to ensure that the Condominium remains a first class, luxury residential Condominium.

(g) Architectural Control Committee.

(1) At such time as all of the Units in the Condominium are sold by the Developer and dwellings are erected thereon, or at such earlier time as the Developer in its sole discretion may elect, the Developer may assign, transfer and delegate to an Architectural Control Committee all or any of the Developer's rights to approve, waive or refuse to approve plans, specifications, drawings, elevations, submissions or other matters with respect to the construction or location of any structure on any Unit or any other matter which the Developer may approve or waive as provided above. Any such assignment, transfer or delegation must be in writing. Thereafter, the Architectural Control Committee shall exercise all of the authority and discretion granted to the Developer in this Article relative to approving, waiving or disapproving such matters, to the extent assigned, transferred or delegated by the Developer, and the Developer shall have no further responsibilities with respect to such matters.

(2) The Architectural Control Committee shall be comprised of up to three (3) members to be appointed by the Developer. The Developer also may transfer its right to designate the members of the Architectural Control Committee to the Association. Until such event, the Developer reserves the right to appoint and remove members of the Architectural Control Committee in its sole

discretion. If the Developer is dissolved prior to a delegation to the Association of its right to appoint and remove the members of the Architectural Control Committee, such right shall devolve upon Joseph Malecke, or such other person or entity as may be designated by the Developer.

(3) At the time any Unit Owner submits plans or other documents for approval pursuant to the foregoing provisions of this Article, the Unit Owner shall pay the Developer, or the Association if the Developer has assigned to the Architectural Control Committee its rights of review and approval, the sum of three hundred fifty (\$350.00) dollars, which the Developer or the Association as the case may be, shall retain as a fee for the costs of architectural control activities.

Section 3. Alterations and Modifications of Common Elements. No Co-owner shall make alterations, modifications or changes to any of the Common Elements, Limited or General, without the express written approval of the Board of Directors (and the Developer during the Development and Sales Period), which approvals shall not be unreasonably withheld (but may be reasonably conditioned). No Co-owner shall in any way restrict access to any utility line, or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way.

Section 4. Activities. No unlawful or offensive activity shall be carried on in any Unit or upon the Common elements nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time and disputes among Co-owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the Association. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his or her Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: any activity involving the use of firearms or other similar dangerous weapons, air rifles, pellet guns, B-B guns, bows and arrows, paint guns, projectiles or devices.

Section 5 Pets. No animal, other than ordinary domesticated household pets, shall be maintained by any Co-owner. Co-owners shall be limited to maintenance of two cats or two dogs, or any combination thereof which does not exceed a total of two. All animals kept within the Condominium Premises shall be maintained in strict accordance with the Township requirements and each Co-owner shall obtain from the Township any permit or approval required by law for the maintenance of any animal for which such Co-owner is responsible. No animal may be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the General Common Elements or upon any Unit other than its Owner's Unit and any animal shall at all times be leashed and attended by some responsible person while on the General Common Elements. No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless

the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefor. Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No dog which barks and can be heard on an obnoxiously continuing basis shall be kept in any Unit or on the Common Elements even if permission was previously granted to maintain the pet on the premises. The Association may charge all Co-owner maintaining animals, a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owner thereof, cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the Board of Directors of the Association may assess fines for such violation in accordance with its Bylaws and in accordance with duly adopted rules and regulations of the Association.

Section 6 Aesthetics. The Common Elements and yard areas of all Units shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in concealed areas at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The Common Elements or Units shall not be used in any way for the hanging of clothing or other fabrics. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in his or her Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium. Without written approval by the Association, no Co-owner shall materially change in any way the exterior appearance of the residence and other improvements and appurtenances located within his or her Unit. Thus, in connection with any maintenance, repair, replacement, decoration or redecoration of such residence, improvements or appurtenances, no Co-owner shall substantially modify the design, material or color of any such items, including without limitation, windows, doors, screens, roofs, siding or any other component which is visible from a Common Element or other Unit without the approval of the Developer (during the Development and Sales Period) or the Architectural Control Committee (after the Committee receives architectural control as provided in these Bylaws). Lawn ornaments and lawn sculptures are prohibited.

Section 7. Rules and Regulations. It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, regulations and amendments thereto shall be furnished to all Co-owners.

Section 8. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary to carry out any responsibilities imposed on the Association by the

Condominium Documents. The Association or its agents shall also have access to Units and Limited Common Elements appurtenant thereto as may be necessary to respond to emergencies. The Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his or her Unit and any Limited Common Elements appurtenant thereto caused thereby. This provision shall not be construed to permit access to the interiors of residences or other structures.

Section 9. Site Lighting and Insect Killers. Developer (during the Development and Sales Period) or the Board of Directors thereafter shall have the right to approve all exterior lighting which approval shall take into account and consider the effect of lighting on adjoining Units, dwellings and the Project as a whole. Co-owners may, upon approval, install security lights which must be attached to the dwelling or an outbuilding. All other site lighting and site lighting fixtures, if approved, shall be of a decorative design. Devices intended to kill bugs which emit noise or can be heard beyond the boundaries of the Unit upon which it is installed are prohibited.

Section 10. Co-owner Maintenance. Each Co-owner shall maintain his or her Unit, the dwelling constructed thereon, and any Limited Common Elements appurtenant thereto for which he or she has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other Common Elements which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him or her, or his or her family, guests, contractors, 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 limited by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Each individual Co-owner shall indemnify the Association and all other Co-owners against such damages and costs, including attorneys' fees, and all such costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 11. Well and Septic.

- (a) No Lot shall be used for other than a single family dwelling.
- (b) All wells shall be drilled by a Michigan Licensed well driller and penetrate a protective clay barrier sufficient to protect the aquifer. In most cases this will be accomplished at depths between 50 feet to 100 feet.
- (c) For those Lots that are not part of the community septic system the Septic locations for both active and reserve shall be placed in areas as required by the Livingston County Health Department, unless otherwise approved by the Department. For those Lots that are part of the community septic system the co-owners shall comply with all of the terms and conditions set forth in the Master Deed with attachments.

(d) All restrictions placed on the Site Plan by the Livingston County Health Department are not severable and shall not expire under any circumstance unless amended or approved by the Livingston County Health Department.

Section 12. Reserved Rights of Developer.

(a) Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Development and Sales Period or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, Developer shall have the right to maintain a sales office, model units, mobile trailer used as a sales office, advertising display signs, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by the Developer and may continue to do so during the entire Development and Sales Period.

(b) Enforcement of Bylaws. The Condominium Project 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 Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any person to whom 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 these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws throughout the Development and Sales Period which right of enforcement shall include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

Section 13. Tree Preservation. No Co-owner shall cut down or trim any tree located on the General Common Elements. Co-owners shall also comply with any ordinances of the Township, including any woodlands regulations, which are applicable from time to time to the Condominium Premises. Nothing in this Section shall prohibit selective pruning, removal of dead, dying or diseased trees so long as allowed by the Township. This Section shall not be amended without the prior written consent of the Township and may be waived, if at all, only with the prior written consent of the Developer and the Township.

Section 14. Wetlands. Areas depicted as Wetlands on the Condominium Subdivision Plan, may not be disturbed without the prior approval of the Township, the Association, and the Department of Environmental Quality. Co-owners are prohibited from clearing, trimming, grubbing and tree removal in the areas designated as wetlands. This Section shall not be amended without the prior written consent of the Township.

ARTICLE VII

MORTGAGES

Section 1. Notice to Association. Any Co-owner who mortgages his or her Unit shall notify the Association of the name and address of the mortgagee at closing and shall further notify the Association of any subsequent mortgagee acquiring an interest in the Co-owner's Unit. The association shall maintain such information in a book entitled "Mortgages of Units". The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within 60 days. If a Co-owner fails to provide the information required in this section, the Association may charge the Co-owner for any costs it incurs in collecting the information for its records and the costs incurred may be collected from the Owner in the same manner as assessments are collected under these Bylaws.

Section 2. Insurance. The Association shall, if requested, notify each mortgagee appearing in said book of the name of each company insuring the Condominium with extended coverage, and against 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 Unit in the 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 Co-owner shall be entitled to one vote for each Condominium Unit owned.

Section 2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he or she has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article 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 Units at some time or from time to time during such period. At and after the First Annual Meeting the Developer shall be entitled to one vote for each Unit which it owns. If, however, the Developer elects to designate a Director (or Directors) pursuant to its rights under Article XI; it shall not then be entitled to also vote for the non-developer Directors.

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

Section 4. Quorum. The presence in person or by proxy of 35% of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

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

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than 50% of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the majority defined in the preceding portions of this Section 6.

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 Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Sturgis' Code of Parliamentary Procedure, Roberts Rules of Order or some other generally recognizable manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer and may be called at any time after more than 50% of the Units in the Condominium have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to non-developer Co-owners of 75% of all Units or 54 months after the first conveyance of legal or equitable title to a non-developer

Co-owner of a Unit in the Project, whichever first occurs. 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 10 days' written notice thereof shall be given to each Co-owner.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held on the third Tuesday of May each succeeding year after the year in which the First Annual Meeting is held, 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 8 months after the date of the First Annual Meeting. At such meetings, there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by 1/3 of the Co-owners presented to the Secretary of the Association. 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 the time and place where it is to be held, upon each Co-owner of record, at least 10 days but not more than 60 days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article 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 Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than 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 inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers); (g) election of Directors (at annual meeting or special meetings held for such 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 for the giving of notice of meetings of members. Such solicitations 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 at 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 is present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy 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 year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within 120 days after conveyance to purchasers of 1/3 of the Units, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least three (3) non-developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the other Co-owners and to aid in the transition of control of the Association from the Developer to purchaser Co-owners. The Advisory Committee shall cease to exist automatically when the non-developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XI
BOARD OF DIRECTORS



Section 1. Number and Qualification of Directors. The Board of Directors shall be comprised of three (3) members. The Directors must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation.

Section 2. Election of Directors.

(a) First Board of Directors. The first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-developer Co-owners to the Board. Thereafter, elections for non-developer Co-owner Directors shall be held as provided in subsections (b) and (c) below.

(b) Appointment of Non-developer Co-owners to Board Prior to First Annual Meeting. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 25% of the Units, one of the three Directors shall be selected by non-developer Co-owners. When the required number of conveyances has been reached, the Developer shall notify the non-developer Co-owners and request that they hold a meeting and elect the required Director or Directors as the case may be. Upon certification by the Co-owners to the Developer of the Director(s) so elected, the Developer shall then immediately appoint such Director(s) to the Board to serve until the First Annual Meeting of members unless he or she is removed pursuant to Section 7 of this Article or he or she resigns or becomes incapacitated.

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

(1) Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 75% of the Units, the non-developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least one Director as long as the Units that remain to be created and conveyed equal at least 10% of all Units in the Project. Such designee, if any, shall be one of the total number of Directors referred to in Section 1 above and shall serve a one-year term pursuant to subsection (4) below. Whenever the required conveyance level is achieved, a meeting of Co-owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

(2) Regardless of the percentage of Units which have been conveyed, upon the expiration of 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in this Project, the non-developer Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units which are owned by the Developer and for which all assessments are

payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subparagraph (1). Application of this subparagraph does not require a change in the size of the Board of Directors.

(3) If the calculation of the percentage of members of the Board of Directors that the non-developer Co-owners have the right to elect under subsection 2(b) and subparagraph (c)(1), or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-developer Co-owners under subparagraph (c)(2) results in a right of non-developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-developer Co-owners have the right to elect. After application of this formula, the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate one Director as provided in subsection (c)(2).

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

(5) Once the Co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-owners to elect Directors and conduct other business shall be held in accordance with the provisions of Article 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 Condominium Documents or required thereby to be exercised and done by the Co-owners.

Section 4. Other Duties. In addition to the foregoing duties imposed by these Bylaws 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 administer the affairs of and to maintain the Condominium Project and the General Common Elements thereof.

- (b) To levy and collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (c) To carry insurance and collect and allocate the proceeds thereof.
- (d) To rebuild improvements after casualty.
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.
- (f) To acquire, maintain and improve; and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
- (g) To borrow money and issue evidence of indebtedness in furtherance of any or 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 75% of all of the members of the Association.
- (h) To make rules and regulations in accordance with Article VI of these Bylaws.
- (i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.
- (j) To enforce the provisions of the Condominium Documents.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or 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 3 years or which is not terminable by the Association upon 90 days' written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act. No management contract shall be entered into by the Association where the management fee to be charged to the Association is in excess of five (5%) percent of the total budget, exclusive of reserves for repair and replacement of the Common Elements.

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 to designate. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the members of the Association. Vacancies among non-developer Co-owner elected Directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Co-owners and shall be filled in the manner specified in Section 2(b) of this Article.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than 50% of all of the Co-owners qualified to vote and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal 35% requirement set forth in Article VIII, Section 4. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time or from time to time in its sole discretion. Likewise, any Director selected by the non-developer Co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

Section 8. First Meeting. The first meeting of a newly elected Board of Directors shall be held within 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 Directors, but at least two 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 10 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 on 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 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 meetings of the Board shall be deemed a waiver of notice by him or her 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 present 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 be less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon 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. First Board of Directors. The actions of the first Board of Directors of the Association or any successors thereto selected or elected before the Transitional Control Date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium Documents.

Section 14. 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, a 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 offices except that of President and Vice President may be held by one person.

(a) President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Directors. He or she 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 he or she may in his or her discretion deem appropriate to assist in the conduct of the affairs of the Association.

(b) Vice President. The Vice President shall take the place of the President and perform his or her 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 him or her by the Board of Directors.

(c) Secretary. The Secretary shall keep minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association;

he or she shall have charge of the corporate seal, if any, and of such books and papers as the Board of Directors may direct; and he or she shall, in general, perform all duties incident to the office of the Secretary.

(d) Treasurer. The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she 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 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 or her 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. 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 accounts showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided,

however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within 90 days following the end of the Association's fiscal year upon request therefor. The costs 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. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 3. Bank. 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 bank or savings association 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.

ARTICLE XV

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and 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 or she may be a party or in which he or she may become involved by reason of his or her being or having been a director or officer of the Association, whether or not he or she 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 Directors shall not be indemnified for willful and wanton misconduct or for gross negligence as set forth in MCLA 559.154(6). 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 days prior to payment of any indemnification which it has approved, the Association shall notify all Co-owners thereof. Further, the Association is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

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 may be proposed by 1/3 or more of the Co-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 Co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than 66-2/3% of all Co-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 66-2/3% of the first mortgagees shall be required, with each mortgagee to have one vote for each first mortgage held.

Section 4. By Developer. Prior to the Transitional Control Date, these Bylaws may be amended by the Developer without approval from any other person so long as any such amendment does not materially alter or change the right of a Co-owner or mortgagee.

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

Section 6. Binding. A copy of each amendment to the 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 Project irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XVII

COMPLIANCE

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

Any default by a Co-owner shall entitle the Association or another Co-owner or Co-owners to the following relief:

Section 1. Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sum due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

Section 2. Recovery of Costs. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees (not limited to statutory fees) as may be determined by the court, but in no event shall any Co-owner be entitled to recover such attorney's fees.

Section 3. Removal and Abatement. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements or into any Unit (but not into any dwelling or related garage), where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

Section 4. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless in accordance with the provisions of Article XX hereof.

Section 5. Non-waiver of Right. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision, covenant or condition in the future.

Section 6. Cumulative Rights, Remedies and Privileges. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 7. Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

ARTICLE XX

ASSESSMENT OF FINES

Section 1. General. The violation by any Co-owner, occupant or guest of any provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of his or her personal actions or the actions of his or her family, guests tenants or any other person admitted through such Co-owner to the Condominium Premises.

Section 2. Procedures. Upon any such violation being alleged by the Board, the following procedures will be followed:

(a) Notice. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Article VIII, Section 3 of these Bylaws.

(b) Opportunity to Defend. The offending Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting but in no event shall the Co-owner be required to appear less than 10 days from the date of the Notice.

(c) Default. Failure to respond to the Notice of Violation constitutes a default.

(d) Hearing and Decision. Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or, in the event of the Co-owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

Section 3. Amounts. Upon violation of any of the provisions of the Condominium Documents and after default of the offending Co-owner or upon the decision of the Board as recited above, the following fines shall be levied:

- (a) First Violation. No fine shall be levied.
- (b) Second Violation. Twenty-Five Dollar (\$25.00) fine.
- (c) Third Violation. Fifty Dollar (\$50.00) fine.
- (d) Fourth Violation and Subsequent Violation. One Hundred Dollar (\$100.00) fine.

This schedule of fines may be changed by the Board of Directors by a resolution of the Board. Notwithstanding anything stated in these Bylaws to the contrary, a change in this schedule of fines may be made by Board resolution and will not require that an amendment to these Bylaws be adopted or recorded. Furthermore, should the Board of Directors adopt an appropriate resolution, this schedule of fines may escalate to keep pace with adjustments to the Consumer Price Index as announced by the Bureau of Labor Statistics which Index shall be the Index published to the metropolitan statistical area in which the Project is located. A continuing infraction may be fined each month as a separate violation.

Section 4. Collection. The fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be due and payable together with the regular Condominium assessment on the first of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitation, those described in Article II and this Article XX of these Bylaws.

ARTICLE XXI

RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its 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 granted to the Developer or its successors shall terminate, if not sooner assigned to the Association, at the conclusion of the Development and Sales Period as defined in Article III of the Master Deed. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination of any real property 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 XXII

SEVERABILITY

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

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