

EXHIBIT A

CONDOMINIUM BYLAWS

200 RIVER PLACE LOFTS

ARTICLE I

ASSOCIATION OF CO-OWNERS

Section 1. Association of Co-owners. 200 River Place Lofts, a Condominium Project located in the City of Detroit, Wayne County, Michigan shall be administered by an association of Co-owners which shall be a nonprofit corporation, named 200 River Place Lofts Association, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, Bylaws and duly adopted Rules and Regulations of the Association and the laws of the State of Michigan. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

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

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

(b) **Membership Appurtenant to Unit.** The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit in the Condominium.

(c) **Vote.** Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Unit owned by the Co-owner, the value of which shall be determined in accordance with percentage of value assigned to the Unit under Article V of the Master Deed.

(d) **Eligibility to Vote.** No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. No Co-owner, other than the Developer, shall be entitled to vote prior to the First Annual Meeting of Members held in accordance with Section 6 of this Article I. The vote of each Co-owner may only be cast by the individual representative designated by such Co-owner in the notice required in subparagraph (e) below or by a proxy given by such individual representative. The Developer shall be entitled to one (1) vote for each Unit which it owns, the value of which shall be equal to the percentage of value assigned to the Unit under Article V of the Master Deed.

(e) **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 Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is a Co-owner. Such notice shall be signed and dated by the Co-owner(s). The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided.

(f) **Annual Meeting.** There shall be an annual meeting of the members of the Association commencing with the First Annual Meeting held as provided in Section 6 of this Article I. Other meetings may be provided for in the Association Bylaws. Notice of the time, place and subject matter of all meetings as provided in the Association Bylaws shall be given to each Co-owner by mailing the same to each individual representative designated by the respective Co-owner.

(g) **Quorum.** The presence in person or by proxy of thirty-five (35%) percent by value of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required herein to have 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.

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

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

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

Section 3. Board of Directors. The affairs of the Association shall be administered by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association except for the members of the Board of Directors appointed by the Developer (the "First Board of Directors") and any successors thereto designated by the Developer. The number, terms of office, manner of election, removal and replacement, meetings, quorum and voting requirements, and other duties or provisions of or relating to Directors, not inconsistent with the following, shall be provided by the Association Bylaws.

(a) **Powers and Duties.** The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners. In addition to the foregoing general duties imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Association or which may be set forth in the Association Bylaws, the Board of Directors shall be responsible specifically for the following:

- (1) To manage and administer the affairs of and maintain the Condominium Project and the Common Elements thereof.
- (2) To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (3) To carry insurance and collect and allocate the proceeds thereof.
- (4) To rebuild improvements after casualty.
- (5) To contract for and employ persons, firms, corporations, or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.

- (6) 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, including (but without limitation) the lease or purchase of any Unit in the Condominium.
- (7) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by an affirmative vote of more than sixty (60%) percent in value of all Co-owners entitled to vote.
- (8) To make rules and regulations in accordance with Article VI, Section 11 of these Bylaws.
- (9) 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.
- (10) To make rules and regulations and/or to enter into agreements with institutional lenders the purposes of which are to obtain mortgage financing for Unit Co-owners which is acceptable for purchase by Freddie Mae, Fannie Mae, Ginnie Mae, the Michigan State Housing Development Authority and/or any agency of the Federal government or the State of Michigan.
- (11) To enforce the provisions of the Condominium Documents.

(b) **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 a reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 3(a) of this Article I. 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 the event the Board does employ a professional management agent for the Association, the Board shall secure the written approval of each institutional holder of a first mortgage lien on any Unit in the Condominium prior to terminating such professional management agent (or any successor thereto) and assuming self-management. A service contract which exists between the Association of Co-owners and

the Developer or affiliates of the Developer and a management contract with the Developer or affiliates of the Developer is voidable by the Board of Directors on the Transitional Control Date or within ninety (90) days thereafter, and on thirty (30) days notice at any time thereafter for cause. To the extent that any management contract extends beyond one (1) year after the Transitional Control Date, the excess period under the contract may be voided by the Board of Directors by notice to the management agent at least thirty (30) days before the expiration of the one (1) year.

(c) **Actions of First Board of Directors.** All of the actions (including, without limitation, the adoption of these Bylaws and any Rules and Regulations for the corporation, and any undertakings or contract entered into with others on behalf of the corporation) of the First Board of Directors of the Association or any successors thereto designated by the Developer shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the members of the Association at the first or any subsequent annual meeting of members so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium Documents.

Section 4. Records. The Board of Directors shall keep books and records with a detailed account of the expenditures and receipts affecting the Condominium Project and its administration and which specify the operating 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 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. The Board of Directors shall prepare and distribute to each Co-owner at least once each year a financial statement, the contents of which shall be defined by the Association. 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 ninety (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 5. Officers. The Association Bylaws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the Condominium Documents and not inconsistent therewith. Officers may be compensated but only upon the affirmative vote of more than sixty (60%) percent by value of all Co-owners entitled to vote.

Section 6. First Annual Meeting. The First Annual Meeting of the Members of the Association may be convened only by the Developer and may be called, in Developer's

discretion, at any time after fifty (50%) percent in value and in number of all Units that may be created have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall said First Annual Meeting be held later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper Co-owners of seventy-five (75%) percent of the Units that may be created or fifty-four (54) months after the first conveyance of legal or equitable title to a nondeveloper Co-owner of a Unit in the Project, whichever shall occur first. As used in this Article I, the term "Units that may be created" means the maximum number of Units in all phases of the Condominium Project as stated in the Master Deed, including those which may be created by the conversion of convertible areas.

Section 7. Indemnification. The Association shall indemnify the Board of Directors and hold them harmless from all liabilities, including attorney fees incurred in defending against any claim, arising out of their conduct or status as Directors, except for those liabilities arising from their willful and wanton misconduct and for gross negligence. Ten (10) days notice before payment under this clause must be given to the Co-owners.

Section 8. Advisory Committee. The Developer shall establish an Advisory Committee of nondeveloper Co-owners either one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper Co-owners of one-third (1/3) of the Units that may be created, or one (1) year after the initial conveyance of legal or equitable title to a nondeveloper Co-owner of a Unit in the Project, whichever occurs first. The Developer shall establish, in its sole discretion, the procedure for selecting members of the Advisory Committee. The Advisory Committee shall meet with the Developer for the purpose of facilitating communication and aiding the transition of control to the Association of Co-owners. The Advisory Committee shall cease to exist when a majority of the Board of Directors of the Association of Co-owners is elected by the nondeveloper Co-owners. The First Board of Directors and the Advisory Committee shall meet with each other at such times as may be requested by the Advisory Committee; provided, however, that there shall be no more than four such meetings per year unless both entities agree. The Developer may call additional meetings of members of the Association for informative or other appropriate purposes prior to the First Annual Meeting of Members and no such meeting (or any special meeting held for the purpose of electing the members of the Advisory Committee) shall be construed as the First Annual Meeting.

ARTICLE II

ASSESSMENTS

Section 1. Personal Property Taxes. The Board of Directors shall be assessed as the person in possession of any tangible personal property of the Project owned or

possessed in common by the Co-owners. Personal property taxes based on that tangible personal property shall be treated as expenses of administration.

Section 2. Insurance Proceeds and Liabilities. Expenditures affecting the administration of the Project shall include costs incurred in satisfaction of any liability arising within, caused by, or connected with, the Common Elements or the administration of the Condominium Project and receipts affecting the administration of the Condominium Project shall include all sums received as 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.

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

(a) **Budget.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves.

(b) **Reserve Fund.** An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis must be established in the budget and must be funded at least annually from the proceeds of the regular monthly payments as set forth in Section 4 below rather than by special assessments as set forth in Section 3(d) below. The reserve fund shall, at a minimum, be equal to ten (10%) percent of the Association's current annual budget on a noncumulative basis. The funds contained in the reserve fund will only be used for major repairs and replacement of Common Elements. Since the minimum standard required by this Section may prove to be inadequate for a particular Condominium, the Association of Co-owners should carefully analyze their 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.

(c) **Additional Assessments.** Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect, or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors, at any time determine, in the sole discretion of the Board of Directors, that the assessments levied are or may prove to be insufficient (1) to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide capital improvements or additions to the Common

Elements not exceeding Five Thousand (\$5,000.00) Dollars annually, or (4) to pay all costs incurred in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or members thereof.

(d) **Special Assessments.** Special assessments, in addition to those regular assessments required in subsection (c) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to (1) assessments for capital improvements or additions to the Common Elements of a cost exceeding Five Thousand (\$5,000.00) Dollars per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 6 hereof, (3) assessments to purchase a Unit for use as a resident manager's Unit or (4) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (d) (but not including those assessments levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty (60%) percent in value of all Co-owners entitled to vote. The authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or members thereof.

Section 4. Apportionment of Assessments and Penalty for Default. All assessments levied against Co-owners to cover expenses of administration shall be assessed against Co-owners of Condominium Units as provided in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 3(c) above shall be payable by Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a deed to a Unit or a land contract vendee's interest in a Unit, or with acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Assessments in default shall be subject to a late charge of Twenty (\$20.00) Dollars for each month the assessments are paid late or are in arrears. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payments and costs of collection and enforcement) 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 the 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 attorneys' fees; second, to any interest charges and fines for late payments on such installments; and third, to installments in default in the order of their due dates.

Section 5. Waiver of Use or Abandonment of Unit. No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements, by the abandonment of his Unit or because of uncompleted repair work or the failure of the Association to provide service to the Condominium.

Section 6. Enforcement. Sums assessed to a Co-owner by the Association which are unpaid constitute a lien upon the Unit or Units owned by the Co-owner at the time of the assessment.

(a) **Remedies.** The Association may enforce collection of delinquent assessments by a suit 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. 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, that the defaulting Co-owner shall continue to have rights of ingress and egress over and across the General Common Elements to Units owned by him. 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.

(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 such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the 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 Michigan 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 Section and that he voluntarily, intelligently and knowingly

waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

(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 (10) days after mailing, by ordinary mail addressed to the representative designated in the written notice required by Article I, Section 2(e) hereof to be filed with the Association, of 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 (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding, and (iv) the legal description of the subject Unit(s) and the name(s) of the Co-owner(s) of record. Such notice and affidavit shall be recorded in the Office of the Register of Deeds in the county in which the project is located prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the representative designated above by ordinary mail and shall inform such representative 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 attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit.

Section 7. 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 acquisition of title to the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit).

Section 8. Developer's Responsibility for Regular Assessments. Except for Occupied Units owned by the Developer, the Developer, even though a member of the

Association, shall not be required to pay the full regular monthly assessment for any Unit owned by the Developer. The Developer shall pay a proportionate share of the Association's actual current expenses of administration relating to maintenance and use of the Units owned by the Developer, based upon the ratio of Units owned by the Developer at the time the expense is incurred to the total number of Units then in the Condominium. Such expenses shall include the cost of general liability insurance to the extent that such Unit is covered by the general liability insurance policy and the cost of hazard insurance to the extent that such Unit is covered by the hazard insurance policy. Further, such expenses shall include utilities serving the General Common Elements and heat for the building. They shall also include maintenance of the common corridors in the building. These expenses shall be shared based upon the ratio of all Units owned by the Developer at the time the expense is incurred to the total number of Units then in the Project. The expenses to be shared by the Developer shall not include water bills or parking garage maintenance. In no event shall the Developer be responsible for payment of any assessments for management fees, deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to Occupied Units owned by it. "Occupied Unit" shall mean a Unit which is currently being used as a residence or model. The Developer shall maintain at its own expense Units which are not Occupied Units and will reimburse the Association for any expense incurred by the Association relating to such Units. The Developer shall have the right to set off against any amounts due from it for regular monthly assessments, the reasonable costs incurred by the Developer or the reasonable value of services provided by the Developer in the maintenance and administration of the Association prior to the Transitional Control Date.

Section 9. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

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

Section 11. Statement of Unpaid Assessments. Pursuant to provisions of the Act, the Purchaser of any Condominium Unit may request a statement of the Association as to the outstanding amount of any unpaid Association assessments 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 assessment as to such Unit shall be deemed satisfied; provided, however, that the failure of a Purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit, shall render any unpaid

assessments and the lien securing same, fully enforceable against such Purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE III

ARBITRATION

Section 1. Scope and Election. Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners and the Association shall, 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, 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.

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

Section 3. 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.

ARTICLE IV

INSURANCE

Section 1. Extent of Coverage. The Association shall carry fire and extended coverage, vandalism and malicious mischief insurance, liability insurance, directors and officers liability insurance, title insurance and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements and certain other portions of the Condominium Project as set forth below, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

(a) **Responsibilities of Co-owners and Association.** All such insurance shall be purchased by the Association for the benefit of the Association, 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. Each Co-owner may obtain insurance coverage at his own expense covering his Unit. It shall be each Co-owner's responsibility to determine by personal investigation or from his own insurance advisors the nature and extent of insurance coverage adequate to his needs and thereafter to obtain insurance coverage for his personal property and any other matters for which the Association is not responsible under subsection (b) below, including but not limited to additional fixtures, equipment and trim located within his Unit or upon Limited Common Elements appurtenant to his Unit, which were not installed as building standards by the Developer and also for alternative living expense in the event of fire or other destruction of the Unit, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association, as to all notices which it obtains, and all Co-owners, as to all policies which they obtain, shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

(b) **Insurance of Common Elements and Fixtures.** All Common Elements of the Condominium Project shall be insured against fire and other perils covered by an all risk coverage endorsement, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall be effected upon an agreed-amount basis for the entire Condominium Project with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss. All information in the Association's records regarding insurance coverage shall be made available to all Co-owners upon request and reasonable notice during normal business hours so that Co-owners shall be enabled to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly constituted meeting to change the nature and extent of any applicable coverages, if so determined. Upon such annual re-evaluation and effectuation of coverage, the Association shall notify all Co-owners of the nature and extent of all changes in coverages. Such coverages shall also include interior walls within any Unit and the pipes, wire, conduits and ducts contained therein and shall further include all fixtures, equipment and trim within a Unit which were furnished with the Unit as standard items (or such replacements thereof as do not exceed the cost of such standard items). It shall be each Co-owner's responsibility to determine the necessity for and to obtain insurance coverage for all fixtures, equipment, trim, decoration and other items or attachments within the Unit or any Limited Common Elements appurtenant thereto which were installed in addition to said standard items (or

as replacements for such standard items to the extent replacement cost exceeded the original cost of such standard items) whether installed originally by the Developer or subsequently by the Co-owner, and the Association shall have no responsibility for obtaining such coverage unless agreed specifically and separately between the Association and the Co-owner in writing. Any improvements made by a Co-owner within his Unit shall be covered by insurance obtained by and at the expense of said Co-owner; provided that, if the Association elects to include such improvements under its insurance coverage, such additional insurance coverage must be confirmed by the Association in writing and any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by the Co-owner and collected as a part of the assessments against said Co-owner under Article II hereof.

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

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

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 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, officer's and directors liability insurance, title insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project, his Unit and the Common Elements appurtenant thereto with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their 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.

ARTICLE V

RECONSTRUCTION OR REPAIR

Section 1. Determination to Reconstruct or Repair. If any part of the Condominium Property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) **Partial Damage.** If the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by a unanimous vote of all of the Co-owners in the Condominium that the Condominium shall be terminated and each institutional holder of a first mortgage lien on any Unit in the Condominium has given its prior written approval of such termination.

(b) **Total Destruction.** If the Condominium is so damaged that no Unit is tenantable, and if each institutional holder of a first mortgage lien on any Unit in the Condominium has given its prior written approval of the termination of the Condominium, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless seventy-five (75%) percent or more in value of the Co-owners agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

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

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

Section 4. Damage to Interior of Unit. Each Co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of his Unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, blinds, interior walls (but not any Common Elements therein), interior trim, furniture, light fixtures and all appliances, whether free-standing or built-in. In the event damage to interior walls within a Co-owner's Unit or to pipes, wires, conduits, ducts or other Common Elements therein or to fixtures, equipment and trim within a Unit which were furnished with the Unit as standard items is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5. If any

other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 5. Association Responsibility for Repair. Except as provided in Section 4 hereof, the Association shall be responsible for the reconstruction, repair and maintenance of the Common Elements and any incidental damage to a Unit caused by the damage to such Common Elements or the reconstruction, repair or maintenance thereof. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Co-owners 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.

Section 6. Timely Reconstruction and Repair. If damage to Common Elements or a Unit adversely affects the appearance of the Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay, and shall complete such replacement within six (6) months after the date of the occurrence which caused damage to the property.

Section 7. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

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

(b) **Taking of a Unit.** If a Unit is taken by eminent domain, the undivided interest in the Common Elements appertaining to the Unit shall thenceforth appertain to

the remaining Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall include, without limitation, just compensation to the Co-owner of the Unit taken for his undivided interest in the Common Elements as well as for the Unit.

(c) **Reallocation of Votes and Expenses of Administration.** Votes in the Association and liability for future expenses of administration appertaining to a Unit taken by eminent domain shall thenceforth appertain to the remaining Units, being allocated to them in proportion to the relative voting strength in the Association. A Unit partially taken shall receive a reallocation as though the voting strength in the Association was reduced in proportion to the reduction in the undivided interests in the Common Elements.

Section 8. 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.

Section 9. Notification of FHLMC. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefor by FHLMC, the Association shall give FHLMC written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds Ten Thousand (\$10,000.00) Dollars in amount or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds One Thousand (\$1,000.00) Dollars.

Section 10. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give the Developer, a Condominium Unit 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 Condominium Unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI

RESTRICTIONS

Section 1. Residential Use. Except Unit 1, no Unit in the Condominium shall be used for other than single-family residential purposes and the Common Elements shall be used only for purposes consistent with the use of single-family residences. A resident may

utilize a Unit for a home office if such office is not open to the public or business invitees of the resident and if there are no employees situated at the Unit other than the resident.

Unit 1 may be utilized for the purposes of a commercial parking garage.

Section 2. Leasing and Rental. The following provisions shall apply to leasing a Unit:

(a) **Right to Lease.** A Co-owner, including the Developer, may lease a Unit for the same purposes and under the same covenants, restrictions and conditions set forth in the Master Deed and these Condominium Bylaws. A Co-owner, other than Developer, desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee and at the same time shall deliver to the Association a copy of the exact lease form for review by the Association for the purpose of determining whether the lease is in compliance with the terms, covenants, conditions and restrictions of the Condominium Documents. If the Developer desires to lease a Unit prior to the Transitional Control Date, the Developer shall notify the Advisory Committee or each Co-owner in writing. All leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. All leases shall be for an initial term of not less than six (6) months unless a shorter term is specifically approved in writing by the Association. Notwithstanding the preceding sentence, Units leased by the Developer shall have no minimum term. The Developer may lease any number of Units in its sole discretion. Moreover, the Developer shall not be required to notify the Association or the Advisory Committee if it continues leases or other rental arrangements in existence on the date of the recording of this Master Deed. Nothing contained herein is intended to apply to or limit the leasing of parking spaces in Unit 1.

(b) **Compliance with Condominium Documents.** Tenants or non-Co-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases and rental agreements shall so state.

(c) **Failure to Comply with Condominium Documents.** If the Association determines that a tenant or non-Co-owner occupant has failed to comply with the terms, covenants, conditions or restrictions contained in the Condominium Documents, the Association shall take the following action:

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

- (iii) If after fifteen (15) days the Association determines that the alleged breach is not cured or may be repeated, the Association may institute on its behalf or in the event the Developer controls the Association, a Co-owner may derivatively on behalf of the Association, institute, an action against the tenant or non-Co-owner occupant for both eviction and, simultaneously, for money damages for breach of the terms, covenants, conditions and restrictions contained in the Condominium Documents. The Association may elect to proceed by summary proceeding as provided under Michigan law.

(d) **Assessments.** 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 3. Alterations and Modifications. No Co-owner shall make alterations in the exterior appearance of or make structural modifications to his Unit (including interior walls through or in which there exist easements for utilities or which are load bearing) or make changes in any of the Common Elements, Limited or General, without the express written approval of the Board of Directors including (but not by way of limitation) exterior painting or the erection of antennas, lights, aerials, awnings, doors, shutters or other exterior attachments or modifications. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium Project. The Association shall have the right to refuse to approve any such plans or specifications, which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans, specifications, it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, and the degree of harmony thereof with the Condominium as a whole. A co-owner may install window air conditioners without the prior approval of the Association as long as there does not exist a central air conditioning system for the Unit.

Notwithstanding the above, or any other restriction, rule or regulation of the Association, the Board of Directors shall permit reasonable modifications and alterations to a Unit or the Common Elements which are reasonably necessary, to afford a handicapped person equal opportunity to use and enjoy a Unit or the Condominium Premises. Any Co-owner desiring to make such modifications shall submit plans and specifications to the Board of Directors in accordance with the procedures set forth in Section 147a of the Act. The Committee may require that any such modifications be constructed with materials and colors which are similar or compatible with existing materials and colors and may also require that the modifications be designed to cause the least interference with existing Common Elements as is possible under the circumstances.

The cost of maintaining the modifications shall be determined in accordance with Section 147a of the Act.

X **Section 4. Prohibited Activities.** No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, Limited or General, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity be carried on in any Unit or on the Common Elements. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition. No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium Premises.

Section 5. Pets. No animals except for one or two small domestic pets, shall be maintained by any Co-owner unless specifically approved in writing by the Association. This section shall not limit the number of fish maintained in an aquarium. No animal may be kept or bred for any commercial purpose. Any animal shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be attended by some responsible person while on the 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 and all other Co-owners for any loss, damage or liability which the Association or Co-owners may sustain as a 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 removing any fecal matter left by his pet. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper.

Nothing contained herein shall be construed to limit the right of a Co-owner to maintain a dog for the purposes of serving as a guide dog for the Co-owner or any resident or occupant of the Co-owner's Unit.

Section 6. Aesthetics. The Common Elements, Limited or General, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The Common Elements shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics. Automobiles may only be washed in areas approved by the Association. Unless central air conditioning is installed in the building, co-owners may install window air conditioners in their windows without permission of the Association. In general, no activity shall be carried on nor condition maintained by a Co-owner either in his Unit or upon the Common Elements, which spoils the appearance of the Condominium.

Section 7. Common Element Maintenance. Sidewalks, landscaped areas, driveways, roads, parking areas and corridors shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the Common Elements.

Section 8. Assigned Parking. The Developer shall assign one parking space in Unit 1 to each Unit with the original sale of the Unit. The right to assign parking spaces shall be transferred to the Association after the Developer no longer owns any Units. The assigned parking spaces may be reassigned to accommodate handicapped individuals. A Co-owner may not permit non-residents of the Condominium to park in the assigned parking except on a temporary basis.

Co-owners and their guests may park additional vehicles in Unit 1 on a first come-first serve basis during the hours set forth in Section 7.6 of the Master Deed. The Association may make reasonable rules to limit Co-owner use of the unassigned parking if a shortage of spaces arises.

Section 9. Vehicles. No house trailers, commercial vehicles, motor homes, boat trailers, boats, camping vehicles, camping trailers, motorcycles, snowmobiles, or snowmobile trailers may be parked or stored upon the premises of the Condominium, except with the written approval of the Board of Directors. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the Condominium Premises. The Association may tow at the Co-owner's expense, any unlicensed or inoperative motor vehicle remaining on the premises in excess of forty-eight (48) hours. The Association may place further limitations on guest parking if a shortage arises.

Section 10. Advertising. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common elements, including "For Sale" signs, without written permission from the Association.

Section 11. Rules and Regulations. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the First Board of Directors (or its successors elected by the Developer) prior to the First Annual Meeting of the entire Association, held as provided in Article I, Section 6 of these Bylaws. Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-owner. Any regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent in value of all Co-owners except that the Co-owners may not revoke any regulation or amendment prior to the Transitional Control Date.

Section 12. Right of Access of Association. The Association or its duly authorized agents may have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to and with the permission of the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice and without permission as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-owner to provide the Association means of access to his Unit and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to this Unit and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

Section 13. Co-owner Maintenance. Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless

reimbursement to the Association is excluded by virtue of a deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 14. Reserved Rights of Developer. 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 as defined hereinafter, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation and Association Bylaws as the same may be amended from time to time. For the purposes of this Section, the development and sales period shall be deemed to continue so long as the Developer owns any Unit in the Condominium Project, which it offers for sale. Until all Units of the Condominium Project are sold by the Developer, the Developer shall have the right to maintain a sales office, a business office, a construction office, model Units, special lighting, banners and other promotional signs, devices and materials, storage areas, reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable the development and sale of all Units in all phases of the Project by Developer. Developer shall pay all costs related to Units or Common Elements used by the Developer for such purposes and shall restore such Units or Common Elements to habitable status upon termination of use.

ARTICLE VII

MORTGAGES

Section 1. Notice to Association. Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units." The Association 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 sixty (60) days.

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

Section 3. Notification of Meetings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on 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

AMENDMENTS

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third (1/3) or more in number of the members entitled to vote or by an 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 the Association 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 two-thirds (2/3) of all Co-owners in number entitled to vote.

Section 4. By Developer. Prior to the First Annual Meeting of members, these Bylaws may be amended by the First Board of Directors upon proposal of amendments by the Developer without approval from any person to make such amendments; provided, however, that such amendments shall not increase or decrease the benefits or obligations, or materially affect the rights of any member of the Association.

Section 5. When Effective. Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon recording of such amendment in the Office of the Wayne County Register of Deeds. Without the prior written approval of two-thirds (2/3) of the holders of first mortgage liens on any Unit in the Condominium, no amendment to these Bylaws shall become effective which involves any change, direct or indirect, to any provision hereof that increases or decreases the benefits or obligations or materially affects the rights of any mortgagee.

Section 6. Binding Effect. A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption and at least ten (10) days before the Amendment is recorded in the Office of the Wayne County Register of Deeds; 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.

Section 7. Prohibited Amendments. No amendment to these Bylaws shall eliminate the mandatory provisions required by Section 54 of the Act.

ARTICLE IX

COMPLIANCE

The Association of Co-owners and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the facilities of the Condominium 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 X

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 XI

REMEDIES FOR DEFAULT

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

(a) **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 sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association, or if appropriate, by an aggrieved Co-owner or Co-owners.

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

(c) **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, Limited or General, or into any Unit, where reasonably necessary, and summarily remove and

abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

Section 2. 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 rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Article II, Section 4 of the Association Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owners as prescribed in said Article II, Section 4 of the Association Bylaws, and an opportunity for such Co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violations. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws. No fine shall be levied for the first violation. No fine shall exceed Twenty-Five (\$25.00) Dollars for the second violation, Fifty (\$50.00) Dollars for the third violation or One Hundred (\$100.00) Dollars for any subsequent violation.

Section 3. 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 4. 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 5. 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 non-compliance with the terms and provisions of the Condominium Documents or the Act.

ARTICLE XII

RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or retained by Developer or its successors shall expire and terminate, if not sooner assigned to the Association, at the conclusion of the sale of the last Unit owned by the Developer in the Condominium Project. The immediately preceding sentence dealing with the expiration and termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination and expiration of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed and 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 XIII

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.