

APPLE COVE CONDOMINIUM ASSOCIATION

CONDOMINIUM BYLAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

Section 1. Apple Cove Condominium, a residential Condominium located in the Township of West Bloomfield, County of Oakland, State of 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 in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, Corporate Bylaws and duly adopted rules and regulations of the Association, and the laws of the State of Michigan. All Co-owners in the Condominium 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 in the Association and voting by members of the Association shall be in accordance with the following provisions:

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

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

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

(d) No Co-owner shall be entitled to vote at any meeting of the Association until he has presented a deed or other evidence of ownership of a Unit in the Condominium to the Association. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in sub-section (e) below or by a proxy given by such individual representative.

(e) Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name, address and telephone number of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name, address and telephone number of each person, firm, corporation, 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.

(f) There shall be an annual meeting of the members of the Association at the time and place designated in the Corporate Bylaws of the Association. Other meetings shall be held as provided for in the Corporate Bylaws of the Association. Notice of time, place and subject matter of all meetings, as provided in the Corporate Bylaws of the Association, shall be given to each Co-owner by mailing same to each individual representative designated by the respective Co-owners.

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

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

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

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

Section 3. The Association shall keep detailed books of account in chronological order 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 non-privileged Association records shall be open for inspection by the Co-owners, their attorneys, accountants, mortgagees and authorized agents during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least annually a financial statement, the contents of which shall be kept in accordance with generally accepted accounting principles. 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 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. The Association shall also maintain on file current copies of the Master Deed for the Condominium, any amendments thereto and all other Condominium Documents and shall permit all Co-owners, their attorneys, accountants and authorized agents, prospective purchasers and existing and prospective mortgagees of Condominium Units to inspect the same during reasonable hours.

Section 4. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members in good standing in the Association. If a member of the Association is a partnership or corporation, then any partner or employee of the partnership, or officer, director or employee of the corporation shall be qualified to serve as a director. 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's Corporate Bylaws. Unless otherwise expressly provided in the Condominium Documents, any action which may be taken by the Association shall be exercisable by and through the Board of Directors.

(a) 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's Corporate Bylaws, the Board of Directors shall have the authority and responsibility to do the following:

- (1) To manage and to administer the affairs of, and to maintain, the Condominium and the Common Elements thereof.
- (2) To levy and collect assessments against and from the Co-owner members of the Association and to use the proceeds thereof for the purposes of the Association.
- (3) To carry insurance and to collect and to 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.

- (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.
- (7) To grant easements, rights of entry, rights of way, and licenses to, through, over, and with respect to the Common Elements of the Condominium on behalf of the members of the Association in furtherance of any of the purposes of the Association; provided, however, that any such action shall be approved by affirmative vote of more than sixty (60) percent of all Co-owners.
- (8) To borrow money and incur evidence of indebtedness in furtherance of any and all of the purposes of the Association and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall be approved by affirmative vote of more than sixty (60%) percent of all Co-owners.
- (9) To make and enforce reasonable rules and regulations in accordance with Article VI, Section 26 of these Bylaws and to make and enforce resolutions and policies in furtherance of any or all of the purposes of the Association or of the Condominium Documents.
- (10) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or by the Condominium Documents required to be performed by the Board.
- (11) To make rules and regulations and/or to enter into agreements with institutional lenders the purposes of which are to obtain mortgage financing for Unit Co-owners which is acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the Federal government or the State of Michigan or to satisfy the requirements of the United States Department of Housing and Urban Development.
- (12) To enforce the provisions of the Condominium Documents.
 - (b) The Board of Directors may employ for the Association a professional management agent 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

4(a) of this Article I, and the Board may delegate to such management agent any other duties or powers which are under applicable law or 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 in which the maximum term is greater than three (3) years or which is not terminable by the Association upon sixty (60) days written notice thereof to the other party.

Section 5. The Association's Corporate 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 of all Co-owners.

Section 6. (a) Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; 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 Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof.

(b) The Association shall provide liability insurance to every director and every officer of the Association for the same purposes provided above and in such amounts as may reasonably insure against potential liability arising out of the performance of their respective duties. With the prior written consent of the Association, a director or an officer of the Association may waive any liability insurance for such director's or officer's personal benefit. No director or officer shall collect for the same expense or liability under sub-sections (a) and (b) of this Section 6; however, to the extent that the liability insurance provided herein to a director or officer was not waived by such director or officer and is inadequate to pay any expenses or liabilities otherwise properly indemnifiable under the terms hereof, a director or officer shall be reimbursed or indemnified only for such excess amounts under sub-section (a) hereof.

Section 7. The First Annual Meeting of the members of the Association may be convened only by Developer and may be called, in the Developer's discretion, at any time on or before the earlier of the dates provided for the First Annual Meeting in sub-sections 8(b) and 8(c) of this Article I. The Developer may call meetings of the 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 First Annual Meeting shall be set by the Board of Directors, and at least fifteen (15) days', but not more than sixty (60) days', written notice thereof shall be given to each Co-owner. Thereafter, an Annual Meeting shall be held each year on such date as is specified in the Association's Corporate Bylaws.

Section 8. The following provisions shall be applied notwithstanding the fact that the First Annual Meeting may not have been called:

(a) Within one (1) year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser, or within one hundred twenty (120) days after conveyance to purchasers of one-third (1/3) of the total number of Units that may be created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least three (3) non-Developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that, if more than fifty percent (50%) of the non-Developer Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the non-Developer Co-owners and to aid the transition of control of the Association from the Developer to the Co-owners. The Advisory Committee shall cease to exist automatically when a majority of the Board of Directors of the Association is elected by the non-Developer Co-owners. 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. For the purposes of this Section 8, the phrase "Units that may be created" refers to the maximum number of Units which the Developer is permitted, under the Condominium Documents as may be amended, to include in the Condominium.

(b) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of twenty-five percent (25%) of the Units that may be created, at least one (1) director and not less than twenty-five percent (25%) of the Board of Directors of the Association shall be elected by non-Developer Co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of fifty percent (50%) of the Units that may be created, not less than thirty-three and one-third percent (33 1/3%) of the Board of Directors shall be elected by non-Developer Co-owners. When the required percentage levels of conveyance have 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-owner to the Developer of the director or directors so elected, the Developer shall then immediately appoint such director or directors to the Board to serve until the First Annual Meeting of members unless he is removed pursuant to the Association's Corporate Bylaws or he resigns or becomes incapacitated. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of seventy-five percent (75%) of the Units that may be created, and before conveyance of ninety percent (90%) of such Units, the First Annual Meeting shall be called and 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 (1) director as long as the Developer owns and offers for sale at least ten percent (10%) of the Units in the Project or as long as ten percent (10%) of the Units remain that may be created.

(c) Notwithstanding the formula provided in Sub-section (b) above, fifty-four (54) months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, if title to not less than seventy-five percent (75%) of the Units that may be created has not conveyed, the First Annual Meeting shall be called, and the non-Developer Co-owners shall have the right to elect, as provided in the condominium documents, the number of members of the Board of Directors of the Association of Co-owners equal to the percentage of Units held by the non-Developer Co-owners, and the Developer shall have the right to elect, as provided in the Condominium Documents, the number of members of the Board equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer; provided, however, that five (5) years after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, the non-Developer Co-owners shall have the right to elect at least fifty-one percent (51%) of the members of the Board of Directors of the Association. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in sub-section (b) above. Application of this sub-section does not require a change in the size of the Board as determined in the Condominium Documents.

(d) If the calculation of the percentage of members of the Board of Directors that the non-Developer Co-owners have the right to elect under sub-section (b) above, 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 sub-section (c) above, results in a right of non-Developer Co-owners to elect a fractional number of members of the Board, 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 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. Application of this sub-section shall not eliminate the right of the Developer to designate one (1) member of the Board as provided in sub-section (b) above.

ARTICLE II

ASSESSMENTS

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

Section 2. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute expenditures affecting the administration of the Condominium, and all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute receipts affecting the administration of the Condominium, within the meaning of Section 54(4) of the Act.

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

(a) The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Co-owner's obligation to pay the allocable share of the common expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget each Unit Co-owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the monthly payment which is due more than ten (10) days after such new annual or adjusted budget is adopted. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 4 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a non-cumulative basis. Since the minimum standard required by this Section may prove to be inadequate for this particular Condominium, the Association of Co-owners should carefully analyze the Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. 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 non-delivery of a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or

future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation, management, maintenance and capital repair of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding Five Thousand and 00/100 Dollars (\$5,000.00), in the aggregate, annually or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional or special assessments without Co-owner approval as it shall deem to be necessary. The Board of Directors shall also have the authority, without Co-owner's consent, to levy assessments pursuant to the provisions of Article V, Section 3 hereof. The discretionary authority of the Board of Directors to levy general, additional or special assessments pursuant to this sub-section shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

(b) Special assessments, other than those referenced in subsection (a) of this Section 3, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of an aggregate cost exceeding \$5,000.00 per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 6 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this sub-section (b) (but not including those assessments referred to in sub-section 3(a) above which may be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty (60%) percent of all Co-owners. The authority to levy assessments pursuant to this sub-section is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof.

Section 4. Unless otherwise provided herein, all assessments levied against the Co-owners to cover expenses of administration shall be equally apportioned among and paid by the Co-owners without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Any unusual expenses of administration which benefit less than all of the Condominium Units in the Condominium may be specially assessed against the Condominium Unit or Condominium Units so benefited and may be allocated to the benefited Condominium Unit or Units in the proportion which the benefited Condominium Unit bears to the total number of all Condominium Units so specially benefited, subject to the approval of the affected Co-owners. Annual assessments as determined in accordance with Article II, Section 3(a) above shall be payable by the Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a Deed to, or a land contract purchaser's interest in, a Unit, or with the acquisition of fee simple title to a Unit by any

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

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

Section 6. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments, or both in accordance with the Act. Pursuant to Section 139 of the Act, no Co-owner may assert, in answer or set-off to a Complaint brought by the Association for non-payment of assessments, the fact that the Association or its agents have not provided the services or management to the Co-owner. Each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien

foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Condominium, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. The Association, acting on behalf of all Co-owners, may bid in at the foreclosure sale, and acquire, hold, lease, mortgage or convey the Condominium Unit. Each Co-owner of a Unit in the Condominium 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 non-payment of assessments and a hearing on the same prior to the sale of the subject Unit. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage pre-paid, addressed to the delinquent Co-owner(s) at his or their last known address, of a written notice that one or more installments of the annual assessment and/or a portion or all of a special 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 then (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 amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such Affidavit shall be recorded in the office of the Register of Deeds in the County in which the Condominium is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured with the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the Co-owner and shall inform the Co-owner that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on the Unit. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, and/or in the event of default by any Co-owner in the payment of any installment and/or portion of any special assessment levied against his Unit, or any other obligation of a Co-owner which, according to these Condominium Bylaws, may be assessed and collected from the responsible Co-owner in the manner provided in Article II hereof, the Association shall have the right to declare all unpaid installments of the annual assessment for the applicable fiscal year (and for any

future fiscal year in which said delinquency continues) and/or all unpaid portions or installments of the special assessment, if applicable, immediately due and payable. The Association also may discontinue the furnishing to a Co-owner in default, any utility or other services which it provides to Co-owners upon seven (7) days written notice to such defaulting 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 Condominium, shall not be entitled to vote at any meeting of the Association, and shall not be entitled to serve as a director of the Association so long as such default continues, provided however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him as provided by the Act.

Section 7. Notwithstanding any other provision of the Condominium Documents, the holder of any first mortgage covering any Unit in the Condominium which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, 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 8. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 9. 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.

Section 10. Pursuant to the provisions of the Act, the purchaser of any Condominium Unit may request a statement of the Association as to the outstanding amount of any unpaid Association assessments thereon, whether regular or special, and related collection costs. Upon written request to the Association, accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire the Unit, the Association shall provide a written statement of such unpaid assessments and related collection costs as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments together with interest, costs and attorneys' fees incurred in the collection thereof, and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments 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. The Association may charge such reasonable amounts for preparation of such a statement as the Association shall, in its discretion, determine.

SECTION 11. Even though a member of the Association, the Developer shall not be responsible, at any time, for payment of the monthly Association assessments for Units owned by it. However, as to Units owned by Developer on which there are completed residences, the Developer shall pay a proportionate share of the Association's current maintenance and administrative expenses (excluding reserves), for insurance, street maintenance, landscaping, sign lighting, snow removal, and the like. The Developer's proportionate share shall be based upon the ratio of all Units owned by the Developer on which there are completed residences at the time the expense is incurred to the total number of Units in the Condominium. In addition, the Developer shall never be liable for any assessment, general or special, or expenses relating to litigation or claims against the Developer.

ARTICLE III

ARBITRATION

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

Section 2. 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 by the parties to any such disputes, claims or grievances to submit such disputes, claims or grievances to arbitration shall preclude such parties from litigating such disputes, claims or grievances in the Courts.

ARTICLE IV

INSURANCE

Section 1. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and worker's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

(a) 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 shall obtain insurance coverage at his own expense upon his Unit. It shall be each Co-owner's responsibility to determine by personal investigation or from his own insurance advisor the nature and extent of insurance coverage adequate for his needs and thereafter to obtain insurance coverage for his personal property and any additional fixtures, equipment and trim (as referred to in sub-section (b) below) located within his Unit or elsewhere on the Condominium and for his personal liability for occurrences within his Unit or upon Limited Common Elements apurtenant to his Unit and also for alternative living expense in the event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. Each Co-owner shall file a copy of such insurance policy, or policies, including all endorsements thereon, or, in the Association's discretion, certificates of insurance or other satisfactory evidence of insurance, with the Association in order that the Association may be assured that such insurance coverage is in effect. The Association, as to all policies which it obtains, and all Co-owners, as to all policies which they obtain, shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

(b) All Common Elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall be effected upon an agreed-amount basis for the entire Condominium with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total project destruction if the insurance proceeds failed, for some reason, to be equal to the total cost of replacement). All information in the Association's records regarding

insurance coverage shall be made available to all Co-owners upon request and reasonable notice during normal business hours so that Co-owners shall be able to judge the adequacy of coverage and, upon the taking of the 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 coverage shall not include improvements within any Unit. It shall be each Co-owner's responsibility to determine the necessity for and to obtain insurance coverage for all improvements, fixtures, equipment, trim and other items or attachments within the Unit or any Limited Common Elements appurtenant thereto, and the Association shall have no responsibility whatsoever for obtaining such coverage unless otherwise agreed by the Association.

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

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

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

ARTICLE V

RECONSTRUCTION, REPAIR

Section 1. In the event 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) In the event the damaged property is a Common Element or a Condominium home constructed within a Unit, the property shall be rebuilt or repaired if any Condominium home in the Condominium is tenantable, unless it is determined by 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 for such termination.

(b) In the event the Condominium is so damaged that no residence within a Unit is tenantable, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless eighty (80%) percent or more of all of the Co-owners agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

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

Section 3. Each Co-owner shall be responsible for the reconstruction, repair and maintenance of all improvements, structures, equipment and fixtures within his Unit, including, but not limited to, a Condominium home, all floor coverings, window treatment, interior walls, interior trim, furniture, light fixtures and all appliances, but excluding any Common Elements within a Unit. In the event the damage to improvements within a Co-owner's Unit 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 of this Article V. If any other personal property within a Unit is destroyed or damaged which cannot be reconstructed or repaired but which 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 Condominium home within a Unit or any part of the Common Elements, the Association promptly shall notify each institutional holder of a first mortgage lien on any of the homes in the Condominium.

Section 4. Except as provided in Section 3 hereof, the Association shall be responsible for the maintenance, repair and reconstruction of the Common Elements (except as specifically otherwise provided in the Master Deed). In no event shall the

Association be responsible for any damage to the contents of a Condominium home and/or any personal property of the Co-owner. Immediately after a casualty causing damage to property for which the Association has the responsibility of repair and reconstruction pursuant to Section 3 hereof, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Co-owners 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 5. If damage to the Common Elements, a Unit, or a Condominium home, adversely affects the appearance of the Condominium, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof shall proceed with replacement if possible 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 6. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

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

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

(c) In the event the Condominium continues after taking by eminent domain, then the remaining portion of the Condominium 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 one hundred percent (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) 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 7. In the event any mortgage in the Condominium is held by the Federal Home Mortgage Corporation ("FHLMC") then, upon request thereof by FHLMC, the Association shall give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds \$10,000.00 in amount or if damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00. The Association shall provide such other reasonable notice as may be required, from time to time, by other institutional holders of mortgages upon Units.

Section 8. Nothing contained in the Condominium Documents shall be construed to give 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

ARCHITECTURAL AND BUILDING SPECIFICATIONS AND USE RESTRICTIONS

Section 1. All improvements made within any Unit, including the construction of a residence, deck and garage, and the use and occupancy thereof, shall comply fully with these Architectural and Building Specifications and Use Restrictions. As set forth more specifically in this Article, if the residence, deck and garage to be built in the Units is not to be constructed by Developer, then before construction of any improvements are made to a Unit, plans and specifications prepared and sealed by a licensed Michigan architect, including grading, site, landscaping and irrigation plans, showing the nature, size, shape, elevations, height, materials, color scheme, and location, shall be submitted to and approved in writing by the Architectural Control Committee. The Developer intends by these specifications and restrictions to create and perpetuate a beautiful, serene, private residential condominium community consistent with the highest standards. No Unit in the Condominium shall be used for other than single-family residence purposes (except that persons not of the same immediate family residence together may occupy a residence constructed within a Unit with the written consent of the Board of Directors, which consent shall not be unreasonably withheld). A family shall mean one person or a group of two or more persons related by bonds of consanguinity, marriage or legal adoption. No business, trade, profession or commercial activity of any kind shall be conducted within any Unit in the Condominium. The provisions of this

Section shall not be construed to prohibit a Co-Owner from maintaining a personal professional library, keeping personal or business records or handling personal business, or professional telephone calls in that Co-Owner's residence. The Developer is specifically excluded as a Co-Owner subject to the provisions of this Section. The Developer specifically reserves to itself the right to alter, change, modify, redesign or improve any Unit or Condominium home through and including such time as a C.ed has been executed and delivered from Developer to an individual Purchaser.

SECTION 2. No residence shall be constructed or located on any Unit except as delineated on the Condominium Subdivision Plan and approved by the Architectural Control Committee. No building shall be constructed or permitted to remain on any Unit other than one (1) single-family (detached) condominium residence with an attached private garage for not less than two (2) cars. No residence shall be more than two (2) stories and the maximum height of any residence shall not exceed 30 feet from the first floor grade to the highest ridge line.

SECTION 3. Except as may be permitted by the appropriate officials of West Bloomfield Township and the Architectural Control Committee, all setback requirements shall be pursuant to the building code of the governing municipality.

SECTION 4. "Living area" as used in this Section shall mean the area within the outer surfaces of the exterior walls but shall not include any garage, basement, chimney, deck, porches, patios, breezeways, attics, and finished walkout areas below the first floor grade. Condominium residences having one-story shall have a minimum living area of 1700 square feet above the first floor grade. Condominium residences having two stories shall have a minimum living area of 1100 square feet above the first floor grade on the first floor and a minimum living area of 700 square feet above grade on the second floor.

SECTION 5. No Unit shall be split or reduced in size by any method whatsoever without the prior written consent of the Architectural Control Committee. Units may not be enlarged by consolidation with one (1) or more adjoining Units under one (1) ownership.

SECTION 6. The grade of any Unit in the Condominium may not be changed from the Grading Plan prepared by Giffels-Webster Engineers, Inc., and approved by West Bloomfield Township, which Grading Plan may be subsequently amended from time to time as conditions require and subsequently approved by West Bloomfield Township, without the written consent of the Architectural Control Committee and any governmental authority having jurisdiction.

- (a) It shall be the responsibility of each Owner to maintain the surface drainage grades of his Unit as established by the Developer. Each Owner covenants that he will not change the surface grade of his Unit in a manner which

will materially increase or decrease the storm water flowing onto or off of his Unit and will not block, pond or obstruct surface water. The Board of Directors of the Association shall enforce this covenant and may enter upon the Units in the Condominium to correct any violation of this covenant and shall charge the costs of the correction to the Owner and such costs shall be a lien upon the Unit.

- (b) It shall be the responsibility of each Owner to assure that the footing drains are clear of obstructions and installed in accordance with the Utility Plan prepared by Giffels-Webster Engineers, Inc., as amended. It shall be the responsibility of each Owner to maintain the footing drains within his Unit. If any Owner shall fail to maintain the footing drains or shall fail to have the drains properly installed as part of the storm water drainage system, the Association may enter upon the Unit of such Owner and perform all necessary connections, repairs and maintenance of the footing drains. The costs for such connections, repairs and maintenance shall be charged to the Owner and shall be a lien upon the Unit.

SECTION 7. All outside equipment, including air conditioning compressors and pads, shall be placed and located within five (5') feet of the rear of the Condominium residence unless otherwise approved in writing by the Architectural Control Committee.

SECTION 8. All vacant Units must remain free of debris, litter, and trash and be cleaned up regularly. Where a residence is under construction within a Unit, all construction debris, unusable materials, litter, and trash must be cleaned up and removed every Friday afternoon and more often if required by the Architectural Control Committee.

SECTION 9. No Unit shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. Garbage and trash shall be kept only in sanitary containers within the Co-owner's garage and may not be put out for collection any earlier than the evening before the day scheduled for collection.

SECTION 10. All exterior lighting, including lamps, posts, and fixtures, for any residence or garage must receive prior written approval from the Architectural Control Committee.

SECTION 11. Trailers, tents, shacks, barns, or any temporary building of any description whatsoever are expressly prohibited within the Condominium. No temporary occupancy shall be permitted in an unfinished condominium residence. The use of a trailer for materials and supplies to be used by a builder in the construction of a residence and which shall be removed from the premises upon enclosure of the residence, may be allowed with the written consent of the Architectural Control Committee which shall have the sole discretion

to approve or disapprove same. No old or used buildings of any kind shall be brought on any Unit or in the Condominium. No accessory buildings shall be permitted within any Unit.

SECTION 12. No fence, wall or solid hedge may be erected or maintained on any Unit except when required by ordinance or other governmental regulation. If such a fence or wall is required, the Co-Owner shall obtain the express written consent of the Architectural Control Committee which shall have sole and absolute discretion to determine the suitability of the location, design, shape, height, size and materials for any required fence, wall or solid hedge.

SECTION 13. The design, material, color and construction of all mailboxes and mailbox stands shall be as selected by the Architectural Control Committee. The Association shall maintain, repair and/or replace approved mailboxes and stands.

SECTION 14. All driveways shall be constructed of six (6) inches of 21AA aggregate with two and one-half (2-1/2) inches of asphalt laid in two courses or phases; the first course being an inch and one-half (1-1/2) and the second course being one (1) inch.

SECTION 15. Hot tubs may be installed if permitted by West Bloomfield Township and the Architectural Control Committee. Any Co-Owner intending to construct a hot tub must submit to the Architectural Control Committee a detailed description and proposed layout showing size, location, materials, shape, landscaping, fencing, screening, and type of construction. The Architectural Control Committee shall have absolute discretion to approve or disapprove any proposal and may attach any conditions which it deems appropriate. Any approved hot tubs must be maintained by the Co-Owners in a safe and clean condition and must also be maintained in appearance consistent with the standards of the Condominium. No above ground, free-standing or in-ground swimming pools shall be permitted.

SECTION 16. All public utilities such as water main, sanitary sewers, storm sewers, gas mains, electric and telephone local distribution lines, cable television lines, and all connections to same, either private or otherwise, shall be installed underground. However, above-ground transformers, pedestals and other above-ground electric and telephone utility installations and distribution systems and surface and off-site drainage channels and facilities, as well as street lighting stations shall be permitted.

SECTION 17.

- (a) Until certificates of occupancy have been issued for condominium residences on all of the Units in the Condominium, Samuel Karp and his two appointed representatives shall constitute and be the sole members of the first Architectural Control Committee of the Association. The purpose of this Committee is to assure that the Condominium is developed and maintained in a beautiful and professional manner consistent with high

quality and uniform standards. In the event of death or resignation of any member of the Committee, Samuel Karp or his appointed successor, shall have the sole authority to designate a successor. The members of the committee shall not receive any compensation. Once certificates of occupancy have been issued for every Unit, Samuel Karp and his appointed representatives shall forthwith resign their offices as members of the Committee to be succeeded by the persons selected by the Board of Directors of the Association. Until certificates of occupancy reach the one hundred percent (100%) level, Samuel Karp may, in his sole discretion, assign all rights, authority, and privileges of membership on the Architectural Control Committee to the Association. Until certificates of occupancy reach the one hundred percent (100%) level, the Architectural Control Committee shall have all of the remedies and enforcement rights contained in Article XI of these Bylaws.

- (b) Before constructing any Condominium residence with attached garage or making any exterior improvement, change or elevation change upon any Unit, a Co-Owner shall receive the written approval of the Architectural Control Committee. No application for a building permit or application for any other governmental approval or construction shall be filed until written approval of the Committee is received. The Committee shall approve in advance the licensed residential builder engaged by the Co-owner to construct a residence and other improvements on his Unit. The Committee may require that such builder or Co-Owner furnish to the Association adequate security, in the Committee's sole discretion, to protect the Association against costs and expenses which it might incur in connection with the failure to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the residence and its improvements.
- (c) A Co-owner intending to construct any residence, improvement, deck, garage, structure, or intending to change the exterior or elevation of any residence shall submit to the Architectural Control Committee plans and specifications, including site, grading, utility, garage, landscape and irrigation plans, prepared and sealed by an architect registered in the State of Michigan, showing the size, nature, kind, type and color of brick, shape, elevations, facade, height and materials, color scheme (including, but not limited to stain and paint colors), siding, location, and the approximate cost of such improvements. A copy of the plans and specifications, as finally approved, shall be kept permanently with the Committee. Items requiring the written approval of the Committee include, but are

not limited to, the following: Condominium residences, fences, walls, landscaping, drives, walks, dog runs, substantial plantings, aerials, antennas, trees, cable dishes, playground equipment and decks.

- (3) The Architectural Control Committee shall have the absolute right to waive any specifications in those Bylaws and the right to refuse to approve any plans and specifications which are not suitable or desirable in its sole and absolute discretion for aesthetic or any other reasons. In no event shall the Committee have any personal liability for its actions. In considering any plans and specifications, the Committee may take into consideration any of the following: (1) the suitability and aesthetic quality of the proposed building or other structure to be built, (2) the site upon which it is proposed to erect the same, (3) the compatibility of the planned structure with the adjacent or neighboring residences, (4) whether the proposed improvement will impair the structural integrity of a residence or Common Elements, (5) whether the proposed improvement would create a nuisance or annoyance to surrounding Co-Owners, and (6) the impact on the overall standards and appearance of the Condominium.
- (e) The Architectural Control Committee shall have thirty (30) days after the receipt of all required plans and specifications to issue a written approval or denial. If the Committee fails to issue a written approval or denial of the plans and specifications within the thirty (30) day period, then written approval will not be required and this Section shall be deemed to be fully complied with.

SECTION 18. No Co-Owner shall make any alterations in the exterior appearance of his Condominium residence or make changes in any of the Common Elements, limited or general, without the express written approval of the Architectural Control Committee. Alterations requiring prior written approval include but are not limited to the following: landscaping, exterior painting, the erection of antennas, lights, aerials, awnings, doors, shutters, courtyard or patio fencing, gates, screening devices, newspaper holders, mailboxes or other exterior attachments or modifications. No Co-Owner shall in any way restrict access to or tamper with any sump pump, plumbing, waterline, waterline valves, water meter, sprinkler system valves or any other element that must be accessible to service the Common Elements or which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachment of any nature that restrict such access and it will have no responsibility for repairing, replacing or reinstalling any materials that are damaged in the course of gaining such access. No Co-Owner shall in any way disconnect, modify, or in any way tamper with the exterior garage lighting. The exterior lighting is a feature common to all garages and intended to provide light to Common Elements despite individual metering to each Co-Owner.

The Developer is specifically excluded as a Co-Owner subject to the provisions of this Section. The Developer specifically reserves to itself the right to alter, change, modify, redesign or improve any Unit or Condominium home through and including such time as a deed has been executed and delivered from the Developer to an individual purchaser.

SECTION 19. No signs, billboards, or other advertising devices of any kind shall be displayed or located within a Unit, or a Condominium residence, or on the Common Elements, including "For Sale" signs, without the written permission from the Architectural Control Committee. All signs must be thirty (30") inches wide and twenty-four (24) inches high. Any approved sign shall be constructed and installed in a professional manner. Any approved sign shall be kept clean and in good repair during the period of its maintenance on the Unit. No sign shall be placed and maintained nearer than fifteen (15) feet from the front lot line.

SECTION 20. A Co-owner may lease his Condominium home for the same purposes as set forth in Section 1 of this Article VI; provided, however, that the following provisions shall govern any such lease transaction:

(a) No Co-owner shall lease less than an entire Condominium home in the Condominium and no tenant shall be permitted to occupy except under a written lease, the initial term of which is at least one (1) year, unless specifically approved in writing by the Association. Such written lease shall (i) require the lessee to comply with the Condominium Documents and rules and regulations; (ii) provide that failure to comply with the Condominium Documents and rules and regulations constitutes a default under the lease, and (iii) provide that the Board of Directors has the power to terminate the lease or to institute an action to evict the tenant and for money damages after thirty (30) days prior written notice to the Condominium Unit Owner and the tenant.

(b) The Co-owner shall have thirty (30) days after the date of such notice to investigate and correct the alleged breach by the tenant or non-Co-owner occupant or advise the Association that a violation has not occurred.

(c) If after thirty (30) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its own behalf an action for eviction against the tenant or non-Co-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-Co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this sub-section may be by summary proceeding. The Association may hold both the tenant or non-Co-owner occupant and the Co-owner liable for any damages caused by the Co-owner or tenant or non-Co-owner occupant in connection with the Condominium Unit or the Condominium and for actual legal fees incurred by the Association in connection with legal proceedings hereunder.

(d) 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 Condominium home 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 be a breach of the rental agreement or lease by the tenant.

The form of lease used by any Co-owner shall explicitly contain the foregoing provisions.

Section 21. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit, Condominium home 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. No unreasonably noisy activity shall occur in or on the Common Elements, or in any Unit or Condominium home at any time and disputes among Co-owners, arising as a result of this provision which cannot be amicably resolved, may be arbitrated by the Association. No Co-owner shall do or permit anything to be done or keep or permit to be kept within his Unit, Condominium home or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: any activity involving the use of firearms, air rifles, pellet guns, b-b guns, sling-shots, bows and arrows, or other similar dangerous weapons, projectiles or devices.

Section 22. No animal, including household pets, shall be maintained by any Co-owner unless specifically approved in writing by the Association, except that a Co-owner may maintain one (1) dog and one (1) cat in his Condominium residence. No animals shall be maintained which exhibit violent or vicious propensities or which are destructive to the Condominium premises. 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 leashed and attended by some responsible person while on the Common Elements, Limited or General. The Board of Directors may, in its discretion, designate certain portions of the General Common Elements of the Project wherein such animals may be walked and/or exercised and the Board of Directors may, in its discretion, designate certain portions of the General Common Elements of the Condominium wherein dog runs may be constructed. Nothing herein contained shall be construed to require the Board of Directors to so designate a portion of the General Common Elements for the walking and/or exercising of animals and/or for the construction of dog runs. 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 (including costs and attorney fees) which the Association may sustain as a result of the presence of such animal on the premises, whether or not the Association has given its permission therefor, and the Association may assess and collect from the responsible Co-owner such losses and/or damages in the manner provided in Article II hereof. Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No dog which barks and can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. The Association may, after notice and hearing, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. The Association may also assess fines for such violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. The term "animal" or "pet" as used in this Section 22 shall not include small domesticated animals which are constantly caged, such as small birds or fish.

Section 23. 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. Garage doors shall be kept closed at all times except as may be reasonably necessary to gain access to or from any garage. No unsightly condition shall be maintained on any patio porch or deck and only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The Common Elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. Automobiles may only be washed in areas approved by the Association. In general, no activity shall be carried on nor condition maintained by the Co-owner either within his Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 24. Sidewalks, yards, landscaped areas, driveways, roads, parking areas and porches shall not be obstructed in any way nor shall they be used for purposes other than for which they are

reasonably and obviously intended. No bicycles, vehicles, chairs, or benches may be left unattended on or about the Common Elements. Use of any amenities in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations; provided, however, that use of any amenities in the Condominium shall be limited to resident Co-owners who are members in good standing of the Association and to the tenants, land contract purchasers and/or other non-Co-owner occupants of Condominium residences in which the Co-owner does not reside; provided, further, however, that the non-resident Co-owners of such Condominium homes are members in good standing of the Association.

Section 25. Except for vans used for personal transportation by a Co-owner, no house trailers, pick-up trucks, recreational vehicles, vans or similar vehicles, such as club wagons, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, mobile homes, motorcycles, mopeds, dune buggies, motor homes, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles other than automobiles may be parked or stored upon the premises of the Condominium, unless specifically approved by the Association or parked in an area specifically designated therefor by the Association. Nothing herein contained shall be construed to require the Association to approve the parking or storage of such vehicles or to designate an area therefor. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pick-ups in the normal course of business. Nonoperational vehicles or vehicles with expired license plates shall not be parked or stored on the Condominium Premises without the written permission of the Board of Directors. Nonemergency maintenance or repair of motor vehicles shall not be permitted on the Condominium Premises. In the event that there arises a shortage of parking spaces, the Association may allocate or assign available General Common Element parking spaces from time to time, on an equitable basis. The Association may cause vehicles parked or stored in violation of this Section to be removed from the Condominium Premises and the cost of such removal may be assessed to and collected from the Co-owner of the Unit responsible for the presence of the vehicle in the manner provided in Article II hereof. Co-owners shall, if the Association shall require, register with the Association all vehicles maintained on the Condominium Premises. The Board of Directors may promulgate reasonable rules and regulations governing the parking of vehicles in the Condominium consistent with the provisions hereof.

Section 26. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Condominium may be made and amended from time to time by the Board of Directors of the Association. 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 such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all Co-owners.

Section 27. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit and/or to protect the safety and/or welfare of the inhabitants of the Condominium. 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 his 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 28. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Association in writing.

Section 29. No Co-owner may dispose of a Unit or Condominium home in the Condominium, or any interest therein, by a sale or lease without complying with the following terms or conditions:

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

(b) A holder of any mortgage which comes into possession of a Unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed in lieu of foreclosure, shall not be subject to the provisions of this Section 29.

(c) The Association may charge such reasonable amounts for the review and/or processing of sale or lease transactions involving Condominium Units in accordance with this Article VI as it may from time to time establish.

Section 29. Each Co-owner shall maintain his Unit, all improvements and structures constructed thereon, 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, 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, or to other Co-owners, as the case may be, resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, tenants, land contract purchasers, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless full reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association or to other Co-owners, as the case may be, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. The Co-owners shall have the responsibility to report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement.

Section 31. Upon the request of the Association, the telephone number of all occupants of Condominium Units shall be supplied to the Association.

Section 32. None of the restrictions contained in this Article VI shall apply to the activities of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation and Corporate Bylaws as the same may be amended from time to time.

Section 33. Any and all costs, damages, expenses and/or attorney fees incurred by the Association in enforcing any of the restrictions set forth in this Article VI and/or rules and regulations promulgated by the Board of Directors of the Association under Article VI, Section 26 of these Bylaws, and any costs or expenses that are attributable to the conduct of less than all of the Co-owners may be assessed to and collected from the responsible Co-owner or Co-owners in the manner provided in Article II hereof.

ARTICLE VII

Mortgages

Section 1. Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the

Association shall maintain such information in a book entitled "Mortgages of Units". The Association shall report any unpaid assessments due from the Co-owner of such Unit to the holder of any first mortgage covering such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Condominium written notification of any other default in the performance of the obligations of the Co-owner of such Unit that is not cured within sixty (60) days.

Section 2. Upon the request of a Mortgagee of a Unit, the Association shall notify such mortgagee of the name of each company, if any, insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

Section 3. 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. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third (1/3) or more of the members or by instrument in writing signed by them.

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

Section 3. 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 sixty-six and two-thirds (66 2/3%) percent 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 sixty-six and two-thirds (66 2/3%) percent of mortgagees shall be required with each mortgagee to have one (1) vote for each mortgage held.

Section 4. Any amendment to these Bylaws (but not the Association's Corporate Bylaws) shall become effective upon recording of such amendment in the office of the Oakland County Register of Deeds.

Section 5. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in

accordance with this Article shall be binding upon all persons who have an interest in the Condominium irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE IX

Compliance

The Association of Co-owners and all present or future Co-owners, tenants, land contract purchasers, or any other persons acquiring an interest in or using the facilities of the Condominium in any manner are subject to and shall comply with the Act, as amended, and with the Condominium Documents, and the mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry upon the Condominium premises shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern. In the event any provision of these bylaws or the Association's Corporate Bylaws conflicts with any provision of the Master Deed, the Master Deed shall govern. In the event any provision of the Association's Corporate Bylaws conflicts with any provision of these bylaws, these Bylaws 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) Failure to comply with any of the terms and provisions of the Condominium Documents or the Act, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

(b) In the event of a default of the Condominium Documents by a Co-owner and/or non-Co-owner resident or guest, the Association shall be entitled to recover from the Co-owner and/or non-Co-owner

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

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

(d) The violation of any of the provisions of the Condominium Documents, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, by any Co-owner, in addition to the rights set forth above, shall be grounds for assessment by the Association of a monetary fine for such violation. No fine may be assessed unless the rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Article VI, Section 26 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owner 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 violation. Upon finding an alleged violation after an opportunity has been provided, the Board of Directors may levy a fine in such amount as it, in its discretion, deems appropriate. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws.

Section 2. 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 3. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the Condominium Documents 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.

ARTICLE XII

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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