

EXHIBIT A

CONDOMINIUM BYLAWS

OF

DAISY SQUARE LOFTS CONDOMINIUM

DEVELOPER:

Daisy at Plymouth LLC
220 North Smith Street, Suite 300
Palatine, Illinois 60067

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CONDOMINIUM BYLAWS
OF
DAISY SQUARE LOFTS CONDOMINIUM

ARTICLE I
THE CONDOMINIUM

Section 1. Organization. Daisy Square Lofts Condominium, a residential condominium located in the City of Plymouth, Wayne County, Michigan (the "Condominium"), shall be administered by an association of Co-Owners (the "Association"), which shall be organized as a nonprofit corporation under the laws of the State of Michigan. The Association will be responsible for the management, maintenance, operation and administration of the Common Elements, easements and, generally, the affairs of the Condominium in accordance with the Master Deed, these Condominium Bylaws, the Articles of Incorporation, Rules and Regulations of the Association, and the laws of the State of Michigan.

Section 2. Compliance. All present and future Co-Owners (who shall be "Members" of the Association as provided in Article II, Section 1, below; the terms "Member" and "Co-Owner" are used interchangeably herein), Mortgagees, tenants and all other persons who may in any manner use, enter upon or acquire any interest in the Condominium Premises, or any Condominium Unit, shall be subject to and comply with the provisions of the Act, the Master Deed, these Condominium Bylaws, and the Articles of Incorporation, Rules and Regulations of the Association including, without limitation, any provision thereof pertaining to the use and operation of the Condominium Premises and the Condominium. The acceptance of a deed or conveyance, the taking of a mortgage, the execution of a lease, the act of occupying a Unit, or presence in the Condominium shall constitute an acceptance of the provisions of these documents and an agreement to comply therewith.

Section 3. Purpose of Bylaws. These Condominium Bylaws govern the general operation, maintenance, administration, use and occupancy of the Condominium, and all such activities shall be performed in accordance with the provisions hereof. Capitalized terms used herein and not defined to the contrary shall have the meanings set forth in the Master Deed.

ARTICLE II
MEMBERSHIP AND VOTING

Section 1. Membership. Each Co-Owner of a Condominium Unit, present and future, shall be a Member of the Association during the terms of such ownership, and no other person or entity shall be entitled to Membership. Neither Association Membership nor the share of a Member in the Association funds and assets shall be assigned, pledged or transferred in any manner, except as an appurtenance to a Condominium Unit, and any attempted assignment, pledge or transfer in violation of this provision shall be wholly void.

Section 2. Voting Rights. Except as limited in the Master Deed and in these Condominium Bylaws, the Members owning each Unit shall collectively be entitled to one vote when voting by number and one vote, the value of which shall equal the total Percentage of Value assigned to the Unit or Units owned by them in Article V, Section 2 of the Master Deed, when voting by value. Voting, when required or permitted herein or elsewhere in the Condominium Documents, shall be by value, except in those instances where voting is specifically required to be by number, or both by value and by number, and no accumulation of votes shall be permitted.

Section 3. Persons Entitled to Vote. If one person owns a Unit, he shall establish his Membership in the Association and his right to vote by presenting evidence of his ownership. If more than one person owns a Unit, or the Unit is leased, all of the record owners of the Unit shall sign and file with the Secretary of the Association a certificate designating the person entitled to exercise the Unit's Membership in the Association, to cast the vote for the Unit and to receive all notices and other communications from the Association. Such certificate shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned, the name and address of the person or persons, firm, corporation, partnership, association, trust or other legal entity who is the Co-Owner thereof, and shall be signed and dated by all Co-Owners of record. All certificates shall be valid until revoked, until superseded by a subsequent certificate, or until a change occurs in the record ownership of the Unit concerned. The Developer shall, at any meeting, be entitled to cast a vote on behalf of each Unit he owns without submitting any proof of ownership. For purposes of this Section 3, the Developer shall be deemed to own only completed Units, as defined in Article V, Section 7, hereof.

Section 4. Method of Voting. Votes on a specific issue may be cast in person. In addition, any person entitled to vote at any meeting may also appear and vote via telecommunications equipment by which all persons participating in the meeting may hear each other; provided that all participants are advised of the communications equipment and the names of the participants in the conference are divulged to all participants, or appear and vote (either specifically on an issue or by the general designation of a person to cast a vote) by written proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated, and any adjournment thereof, and must be filed with the Association before the appointed time of the meeting.

Section 5. Majority. At any meeting of the Members at which a quorum is present, more than fifty percent (50%) in value of the Members voting, whether in person, by telecommunications or by proxy, on any particular matter, shall constitute a majority for the approval of such matter, except as otherwise required herein, by the Master Deed or by law.

ARTICLE III MEETINGS AND QUORUM

Section 1. First Meeting of Members. The first meeting of the Members of the Association may be convened only by the Board of Directors and may be called at any time upon ten (10) days' written notice to all Members. In no event, however, shall the first meeting be held later than: (a) one hundred twenty (120) days after legal or equitable title to twenty-five percent (25%) of the Condominium Units in the Condominium Project that may be created has

been conveyed to non-Developer Co-Owners; or (b) fifty-four (54) months after the first conveyance of legal or equitable title to a Condominium Unit to a non-Developer Co-Owner, whichever first occurs. The Board of Directors may call meetings of Members of the Association for informational or other appropriate purposes prior to the first meeting of Members, but no such meeting shall be construed as the first meeting of Members.

Section 2. Advisory Committee. The Board of Directors shall establish an Advisory Committee of non-Developer Members upon the passage of: (a) one hundred twenty (120) days after legal or equitable title to thirty-three and one-third percent (33 1/3 %) of Condominium Units in the Condominium Project that may be created have been conveyed to non-Developer Co-Owners; or (b) one (1) year after the initial conveyance of legal or equitable title to a Condominium Unit to a non-Developer Co-Owner, whichever first occurs. The Advisory Committee shall meet with the Board of Directors to facilitate communication with the non-Developer Members and to aid in transferring control from the Developer to non-developer Members. The Advisory Committee shall be composed of not less than three (3) nor more than nine (9) non-Developer Members, who shall be appointed by the Board of Directors in any manner it selects, and who shall serve at the pleasure of the Board of Directors. The Advisory Committee shall automatically dissolve following the election of a majority of the Board of Directors by non-Developer Co-Owners. The Advisory Committee shall meet at least semi-annually with the Board of Directors. Reasonable notice of such meetings shall be provided to all Members of the Advisory Committee, and such meetings may be open or closed, in the discretion of the Board of Directors.

Section 3. Annual Meeting of Members. Following the first meeting of Members, and in addition to subsequent meetings called for the purpose of electing Directors, as provided in Article IV, Section 1, below, an annual meeting of the Members shall be held each year on September 15 and at such place as determined by the Board of Directors. At least ten (10) days but not more than sixty (60) days prior to the date of an annual meeting, written notice of the time, place and purpose of such meeting shall be sent by first-class mail, postage prepaid, to each person entitled to vote at the meeting.

Section 4. Special Meetings of Members. It shall be the duty of the President to call a special meeting of the Members upon a petition signed by one-third (1/3) of the Members in number and presented to the Secretary of the Association or upon the direction of a majority of the Board of Directors. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof and shall be given at least ten (10) days but not more than sixty (60) days prior to the date of such meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Quorum of Members. Unless otherwise provided herein, the presence, in person or by proxy, of two-thirds (2/3) in number and value of the Members entitled to vote shall constitute a quorum of Members. If a quorum shall not be present at any meeting, the Members present may adjourn the meeting for not more than thirty (30) days.

ARTICLE IV
ADMINISTRATION

Section 1. Board of Directors. The affairs of the Association shall be governed by a Board of Directors all of whom must be Members of the Association or Officers, partners, trustees, employees, agents or spouses of Members of the Association except for the first Board of Directors and any Directors thereafter designated to the Board of Directors by the Developer as hereinbelow provided in this Article IV. Directors shall serve without compensation; provided, however, that Directors may be reimbursed for reasonable travel and other expenses incurred in discharging their duties pursuant to and in accordance with such reimbursement policies as may be from time to time established by the Board of Directors or by the Members of the Association. The Board of Directors shall be established and selected in the following manner:

(a) The First Board of Directors shall be composed of those three (3) persons selected by the incorporator of the Association and such first Board of Directors shall manage the affairs of the Association until a successor Board of Directors is established as provided by this Article IV. Each subsequent Board of Directors shall be composed of three (3) persons. The number of persons comprising each such subsequent Board of Directors shall be determined by the Developer until the earlier of such date as (i) legal or equitable title to seventy-five (75%) percent of the Units in the Condominium Project that may be created are conveyed to non-Developer Co-Owners, or (ii) shall be fifty-four (54) months after the date of the first conveyance of legal or equitable title of a Unit to a non-Developer Co-Owner. Thereafter, the number of persons comprising each subsequent Board of Directors shall be determined by vote of the Members prior to the establishment of each such Board of Directors; provided, however, that if a motion is not made and carried to increase or decrease the number of Directors, then the Board of Directors shall consist of the same number of persons as theretofore comprised the full Board of Directors. In addition, following expiration of the Developer's right to determine the size of the Board of Directors, the Members may, by resolution duly made and passed, provide that in lieu of annually electing all Directors, the Directors shall be divided into 2 classes, each to be as nearly equal in number as possible, with terms of office such that the term of Directors in the first class will expire at the first annual meeting following their election, and that of the second class to expire at the second annual meeting after their election. At each annual meeting after such classification of the Board of Directors, a number of Directors equal to the number of the class whose term is expiring shall be elected to hold office until the second succeeding annual meeting.

(b) Not later than one hundred twenty (120) days after such date as legal or equitable title to twenty-five (25%) percent of the Units in the Condominium Project that may be created are conveyed to non-Developer Co-Owners, a special meeting of Members shall be held for the purpose of selecting a Board of Directors to replace the First Board of Directors. It shall be the duty of the President to call such meeting, and the duty of the Secretary to provide notice thereof to each Co-Owner, as otherwise provided by these Condominium Bylaws. At such meeting, the non-Developer Co-Owners shall elect at least one (1) Director and not less than twenty-five (25%) percent of all Members of the full Board of Directors being established, in accordance with the other applicable provisions of these Condominium Bylaws. The Developer shall be entitled to appoint all other persons to serve as Directors on such Board of Directors.

(c) Unless the Board of Directors shall already contain the number of non-Developer Co-Owner elected Directors hereinbelow set forth, then not later than one hundred twenty (120) days after such date as legal or equitable title to fifty (50%) percent of the Units in the Condominium Project that may be created are conveyed to non-Developer Co-Owners, a special meeting of Members shall be held for the purpose of selecting a Board of Directors to replace the Second Board of Directors. It shall be the duty of the President to call such meeting, if necessary, and the duty of the Secretary to provide notice thereof to each Co-Owner, if such meeting is called, as otherwise provided by these Condominium Bylaws. At such meeting, any, the non-Developer Co-Owners shall elect at least one (1) Director and not less than thirty-three and one-third (33-1/3%) percent of all Members of the full Board of Directors being established, in accordance with the other applicable provisions of these Condominium Bylaws. The Developer shall be entitled to appoint all other persons to serve as Directors on such Board of Directors.

(d) Notwithstanding anything in subsections (b) and (c) of this Article IV to the contrary, except as otherwise provided by Subsection (e) below, not later than one hundred twenty (120) days after such date as legal or equitable title to seventy-five (75%) percent of the Units in the Condominium Project that may be created are conveyed to non-Developer Co-Owners, and before conveyance of ninety (90%) percent of such Units, a special meeting of Members shall be held for the purpose of selecting a new Board of Directors, all the Members of which shall be elected by majority vote of the non-Developer Co-Owners. It shall be the duty of the President to call such meeting, and the duty of the Secretary to provide notice thereof to each Co-Owner, as otherwise provided by these Condominium Bylaws.

(e) Notwithstanding anything in this Article IV to the contrary, the Developer shall be entitled to appoint one (1) Director to the Board of Directors each and every time a new Board of Directors is established so long as, at the time any such new Board of Directors is created, the Developer owns and offers for sale any Units in the Condominium Project or any of the remaining Units that may be created.

(f) In lieu of holding any special meeting of Members for the purpose of establishing a new Board of Directors containing the number of non-Developer Co-Owners elected Directors required by subsections (b), (c), (d) or (g) of this Section, such new Board of Directors may be established, and non-Developer Co-Owner elected Directors may be elected, at the first or any subsequent annual meeting of Members held on or before such date as may be the latest date permitted by such provisions for reconstituting the Board of Directors as thereby required. Notice of the fact that a new Board of Directors will be established, and non-Developer Co-Owner elected Directors will be elected, at any such annual meeting need not be specified in the notice of such meeting given to Co-Owners as required by these Condominium Bylaws. Except as may be otherwise required by subsections (c), (d), and (g) of this Section, a Board of Directors established at any annual or special meeting of Members shall hold office and manage the affairs of the Association until the election of successor Directors at the next annual meeting of Members.

(g) Except as otherwise provided by subsection (e) of this Section, fifty-four (54) months from and after such date as legal or equitable title to a Unit in the Condominium Project is conveyed to a non-Developer Co-Owner, the non-Developer Co-Owners shall have the right to

elect such number of Members of the Board of Directors as shall be equal to the Percentage of Units they hold, and the Developer shall be entitled to appoint such number of Members of the Board of Directors as shall be equal to the Percentage of Units owned by the Developer and for which all assessments are payable by the Developer. The right hereby conferred upon the non-Developer Co-Owners to elect Directors may increase, but shall not decrease, the number of Directors which the non-Developer Co-Owners are otherwise entitled to elect pursuant to the provisions of this Section. Nothing herein shall be deemed or construed in any manner so as to prohibit the Developer from appointing one Member of the Board of Directors as provided by subsection (e) of this Section, or as requiring a change in the size or method of determining the size of the Board of Directors as otherwise set forth in these Condominium Bylaws. Any Director or non-Developer Co-Owner may request a special meeting of the Members of the Association for the purpose of electing Directors as provided by this subsection (g) by giving written notice of such person's desire for such meeting to the President. Upon receipt of any such notice, it shall be the duty of the President to call such meeting for such a date as shall be no later than sixty (60) days subsequent to the date of his or her receipt of such request, and the duty of the Secretary to provide notice thereof to each Co-Owner, as otherwise provided by these Condominium Bylaws. Absent a special meeting of Members of the Association for purposes of electing Directors as provided by this Section, the Board of Directors then in office shall continue to serve until the next annual meeting of Members, at which time Directors shall be elected as provided by this or the then applicable subsection of this Section.

(h) As used in subsections (a) through (g) of this Section, and Sections 1 and 2 of Article III, the phrase "Units in the Condominium Project that may be created" means the maximum number of Units stated in the Master Deed that may be built by the Developer in all phases of the Condominium Project assuming the Developer fully exercises its right to expand the Condominium Project by adding additional land thereto or converting convertible areas as permitted thereby.

(i) For purposes of determining the number of Directors on the Board of Directors that non-Developer Co-Owners have a right to elect pursuant to subsections (b), (c), (d) and (g) of this Section, a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number; provided, however, that this Section shall not be used to eliminate the right of the Developer to appoint one (1) Member of the Board of Directors as provided by subsection (e) of this Section.

Section 2. Powers and Duties. The Association shall have all powers and duties necessary for the administration of the affairs of the Condominium and may do all things which are not prohibited by law or the Condominium Documents or required thereby to be done by the Co-Owners. The powers and duties to be exercised by the Association through the Board shall include, but shall not be limited to, the power and duty:

(a) To manage and administer the affairs of and to maintain the Condominium, all appurtenances thereto and the Common Elements, property and easements thereof;

(b) To levy and collect assessments against and from the Members of the Association and to use the proceeds therefrom for the purposes of the Association, and to enforce

assessments through liens and foreclosure proceedings where, in the judgment of the Directors, appropriate;

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

(d) To restore, repair or rebuild the Common Elements of the Condominium, or any portion thereof, and any improvements located thereon, after the occurrence of a casualty and to negotiate on behalf of Co-Owners in connection with the taking of the Condominium, or any portion thereof, by eminent domain;

(e) To contract for and employ, supervise, and discharge, persons or business entities to assist in the management, operation, maintenance and administration of the Condominium;

(f) To make and amend reasonable rules and regulations consistent with the Michigan Condominium Act, the Master Deed and these Condominium Bylaws affecting Co-Owners and their tenants, guests, employees and invitees concerning the use and enjoyment of the Condominium and to enforce such regulations by all legal methods, including, but not limited, the imposition of fines and late payment charges, eviction proceedings or legal proceedings (copies of all such regulations and amendments thereto shall be furnished to all Members and shall become effective ten (10) days after mailing or delivery thereof to the designated voting representative, as provided for in Article II, Section 3 above), of each Member, and any such regulation or amendment may be revoked at any time at any duly convened meeting of the Association by the affirmative vote of more than fifty (50%) percent of all Members in number and in value, except that the Members may not revoke any regulation or amendment prior to the first meeting of the Association;

(g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, license, rent or lease (as landlord or tenant) any real or personal property, including, but not limited to, any Common Elements or Unit in the Condominium, easements, rights-of-way or licenses or any other real property, whether or not contiguous to the Condominium, for the purpose of generating revenues, providing benefit to the Members of the Association or in furtherance of any other appropriate purposes of the Association;

(h) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge or other lien on property owned by the Association;

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

(j) To enforce the provisions of the Master Deed and Bylaws of the Condominium, the Articles of Incorporation, and the Rules and Regulations of the Association as may hereafter be adopted, and to sue on behalf of the Condominium or the Members and to assert, defend or settle claims on behalf of the Members with respect to the Condominium;

(k) To do anything required of or permitted by it as administrator of said Condominium by the Master Deed, the Condominium Bylaws or the Michigan Condominium Act, as amended;

(l) To provide services to Co-Owners;

(m) To grant licenses for the use of the Common Elements for purposes not inconsistent with the provisions of the Master Deed, the Condominium Bylaws or the Michigan Condominium Act, as amended;

(n) To assert, defend, or settle claims on behalf of all Co-Owners in connection with the Common Elements of the Condominium and, upon written notice to all Co-Owners, instituting actions on behalf of and against the Co-Owners in the name of the Association;

(o) In general, to enter into any kind of activity; to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes thereof not forbidden, and with all powers conferred upon nonprofit corporations by the laws of the State of Michigan.

Provided, however, that, except in the cases of licenses, leases or rental arrangements having a duration of one (1) year or less, neither the Board nor the Association shall, by act or omission, abandon, partition, subdivide, encumber, sell or transfer the Common Elements, or any of them, unless at least two-thirds (2/3) of the first Mortgagees (based upon one (1) vote for each mortgage owned) and two-thirds (2/3) of the Members in number and value have consented thereto. The Board may, however, grant easements for public utilities or other public purposes and to the owners of the Loft Parcel consistent with the intended use of the Common Elements by the Condominium, and no such grant shall be deemed a transfer for the purposes hereof.

Section 3. Managing Agent. The Board may employ, at a compensation established by it, a professional management agent for the Condominium to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties set forth in Section 2 of this Article. A "professional management agent" shall mean a person or organization having proven expertise, either from prior experience or by education, in the operation and management of real property. Prior to the Transitional Control Date, the Developer, or any related person or entity, may serve as professional managing agent if so appointed. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any contract providing for services by the Developer or its affiliates, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon the Transitional Control Date or within ninety (90) days thereafter and upon thirty (30) days' written notice for cause. Upon the Transitional Control Date, or within ninety (90) days thereafter, the Board of Directors may terminate a service or management contract with the Developer or its affiliates. In addition, the Board of Directors may terminate any management contract which extends beyond one (1) year after the Transitional Control Date by providing notice of termination to the management agent at least thirty (30) days before the expiration of the one (1) year.

Section 4. Officers.

(a) The Officers of the Association ("Officers") shall be a President, Secretary and a Treasurer, who shall all be members of the Board of Directors.

(b) The Officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board. The Officers may be compensated, but only upon the affirmative vote of sixty (60%) percent or more of all Members voting by value.

(c) Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called in whole or in part for such purpose.

(d) The President shall be the chief executive officer of the Association. He shall preside at meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the president of a corporation, including, but not limited to, the power to appoint committees from among the members of the Association from time-to-time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

(f) The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements, specifying the operating expenses clearly, in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name and to the credit of the Association, in such depositories as may, from time-to-time, be designated by the Board of directors. He shall ensure that expenditures for the maintenance and repair of common elements and any other expenses incurred by or on behalf of the Condominium are properly recorded. In accordance with Article V, Section 3, of the Condominium Bylaws, the Treasurer shall prepare and distribute to each member at least once per year the Association financial statement.

(g) The Officers shall have such other duties, powers and responsibilities as shall, from time-to-time, be authorized by the Board of Directors.

Section 5. Actions Prior to First Meeting. Subject to the provisions of Section 2 of this Article IV, all of the actions (including, without limitation, the adoption of these Condominium Bylaws, any Rules and Regulations for the Association, and any undertakings or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association designated by its Incorporator, or their appointed successors, before the first meeting of Members, shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Members of the

Association at the first or any subsequent meeting of Members so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium Documents.

Section 6. Indemnification of Officers and Directors. The Association shall indemnify every Association Director and officer against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him as a consequence of his being made a party to or being threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of his being or having been a Director or officer of the Association, except in such cases wherein he is adjudged guilty of willful and wanton misconduct or gross negligence in the performance of his duties or adjudged to have not acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and its Members, and with respect to any criminal action or proceeding, he is adjudged to have had no reasonable cause to believe that his conduct was unlawful; provided that, if a Director or officer claims reimbursement or indemnification hereunder based upon his settlement of a matter, he shall be indemnified only if the Board of Directors (with any director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association and, if a majority of the Members request it, such approval is based on an opinion of independent counsel supporting the propriety of such indemnification and reimbursement. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights such director or officer may have. The Board of Directors shall notify all Members that it has approved an indemnification payment at least ten (10) days prior to making such payment.

ARTICLE V OPERATION OF THE PROPERTY

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

Section 2. Costs and Receipts to be Common. All costs incurred by the Association in satisfaction of any liability arising within, or caused by or in connection with, the Common Elements or the administration of the Condominium shall be Expenses of Administration (as defined in subsection 4 below). All sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association securing the interests of the Co-Owners against liabilities or losses arising within, caused by or connected with the General Common Elements or the administration of the Condominium shall be receipts of administration.

Section 3. Books of Account. The Association shall keep or cause to be kept detailed books of account showing all expenditures and receipts affecting administration of the Condominium. Such books of account shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association of Co-Owners and shall be open for inspection by the Co-Owners and their Mortgagees during reasonable working hours in normal working days at a place to be designated by the Association.

The books of account shall be audited at least annually by independent accountants, but such audit need not be a certified audit, nor must the accountants be certified public accountants. The cost of such audit, and all accounting expenses, shall be an Expense of Administration. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of the audit report within ninety (90) days following the end of the Association's fiscal year upon request therefor. At least once a year, the Association shall prepare and distribute to each Co-Owner a statement of its financial condition, the contents of which shall be defined by the Association.

Section 4. Regular Assessments. The Board of Directors shall establish an annual budget in advance for each fiscal year for the Condominium, and such budget shall contain a statement of the estimated funds required to defray the Expenses of Administration for the forthcoming year, which shall mean all items specifically defined as such in these Condominium Bylaws and all other common expenses. The common expenses shall consist, among other things, of such amounts as the Board may deem proper for the operation, management and maintenance of the Condominium Project to the extent of the powers and duties delegated to it hereunder, and in the Master Deed, and shall include, without limitation, amounts to be set aside for working capital of the Condominium, the cost of fulfilling the Association's maintenance, repair and replacement responsibilities, management wages, fees and salaries, common area utilities, common area landscaping maintenance and replacement, common area cleaning, supplies, snow removal, licenses and permits, banking, legal and accounting fees, insurance, and creation and maintenance of a an appropriate reserve fund. Each purchaser of a Unit in the Condominium is required to pay the Association an amount equal to two (2) months' assessment as a non-refundable working capital contribution. As provided in Section 11 below, an adequate reserve fund for maintenance, repair and replacement of the General Common Elements must be established in the budget and must be funded by regular assessments rather than by special assessments. The budget shall also allocate and assess all Expenses of Administration against all Co-Owners in accordance with the Percentage of Value allocated to each Unit by the Master Deed, without increase or decrease for the existence of any rights to the use of the Common Elements.

The Board shall advise each non-Developer Co-Owner in writing of the amount of assessment payable by him and shall furnish copies of each budget on which such assessments are based to all Co-Owners, although failure to deliver a copy of the budget to each Co-Owner shall not affect the liability of any Co-Owner for any existing or future assessments. A Co-Owner shall be responsible for payment of the assessment commencing with the acquisition of legal or equitable title to a Unit by any means. If the closing occurs at a time other than the commencement of the fiscal year, the Co-Owner shall only be responsible for paying that prorated portion of the annual assessment attributable to the remaining portion of the fiscal year. Should the Board at any time determine, in its sole discretion, that the assessments levied are or may prove to be insufficient (1) to pay the cost of operation and management of the Condominium, (2) to provide for the maintenance, repair or replacement of existing Common Elements, (3) to provide additions to the General Common Elements not exceeding Two Thousand Dollars (\$2,000) annually, or (4) to provide for emergencies not exceeding Two Thousand Dollars (\$2,000) annually, the Board shall have the authority to increase the general assessments or to levy such additional assessment or assessments as it shall deem be necessary. Such assessments shall be payable when and as the Board shall determine. Members shall pay

all assessments levied in accordance with this Section 4 in twelve (12) equal monthly installments, commencing with acquisition of title to a Unit by any means.

Any sums owed to the Association by any individual Co-Owner may be assessed to and collected from the responsible Co-Owner as an addition to the monthly assessment installment next coming due. The discretionary authority of the Board to levy assessments pursuant to this Section will rest solely with the Board for the benefit of the Association and the Members thereof and will not be enforceable by any creditors of the Association or its Members.

Section 5. Special Assessments. Special assessments, in addition to those provided for in Section 4 above, may be levied by the Board from time to time, following approval by the Co-Owners as hereinafter provided, to meet other needs, requirements or desires of the Association, including, but not limited to, (1) assessments for capital improvements for additions to the General Common Elements at a cost exceeding Two Thousand Dollars (\$2,000) per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments as described in Section 6 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this Section 5 (but not including regular assessments referred to in Section 4 above, which shall be levied in the sole discretion of the Board) shall not be levied without the prior approval of two-thirds (2/3) of all Members in value and in number, which approval shall be granted only by a vote of the Co-Owners taken at a meeting of the Co-Owners called in accordance with the provisions of Article III hereof. The discretionary authority of the Board to levy assessments pursuant to this Section will rest solely with the Board for the benefit of the Association and the Members thereof and will not be enforceable by any creditors of the Association or its Members.

Section 6. Collection of Assessments. When used in this Section 6 and Section 12 below, and wherever else appropriate in these Condominium Bylaws, the term "assessment" shall include all regular and special assessments referred to in Sections 4 and 5 above and, in addition, all other charges whatsoever levied by the Association against any Co-Owner. This Section 6 is designed to provide the Association with a vehicle for collection.

Each Co-Owner, whether one or more persons, shall be and shall remain personally obligated for the payment of all assessments, or a prorated portion thereof, levied with regard to his Unit during the time that he is the owner thereof, and no Member 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. If any Co-Owner defaults in paying an assessment, interest at the maximum legal rate shall be charged on such assessment from the due date and further penalties or proceedings may be instituted by the Board in its discretion. The payment of an assessment shall be in default if such assessment is not paid in full on or before the due date established by the Board for such payment. In the event of default by any Co-Owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any services to a Co-Owner if default upon seven (7) days' written notice to such Co-Owner of its intent to do so. A Co-Owner in default on the payment of any assessment shall not be entitled to vote at any meeting of the Association so long as such default continues. The Board may, but need not, report such a default to any first

Mortgagee of record; provided, however, that if such default is not cured within sixty (60) days, the Association shall give the notice required by Section 2 of Article IX of these Condominium Bylaws. Any first Mortgagee of a Unit in the Condominium may consider a default in the payment of any assessment a default in the payment of its mortgage. When a Co-Owner is in arrearage to the Association for assessments, the Association may give written notice of arrearage to any person occupying his Unit under a lease or rental agreement, and such person, 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 occupant.

Unpaid assessments shall constitute a lien upon the Unit prior to all other liens except unpaid ad valorem real estate taxes and special assessments imposed by a governmental entity and sums unpaid on a first mortgage of record. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the lien that secures payment of assessments. Each Co-Owner, and every other person, except a first Mortgagee, 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 (in accordance with the provisions of Chapter 32 of the Michigan Revised Judicature Act, as amended). 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. The Association is hereby granted what is commonly known as a "power of sale." Further, each Co-Owner and every other person, except a first Mortgagee, 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 is delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-Owner acknowledges that at the time of acquiring title to his Unit, he was notified of the provisions of this section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing of a written notice that an assessment, or any part thereof, levied against his Unit is delinquent, and the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such notice shall be mailed by certified mail, return receipt requested, and postage prepaid, and shall be addressed to the individual representative of the delinquent Co-Owner designated in the certificate filed with the Association pursuant to Section 3 of Article II above, at the address set forth in such certificate or at his last known address. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (iv) the legal description of the subject Unit, and (v) the name of the Co-Owner of record. Such affidavit shall be recorded in the Office of the Wayne County Register of Deeds

prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing. If the delinquency is not cured within the ten (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 individual representative designated above and shall inform such representative that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-Owner in default and shall be secured by the lien on his Unit. If any Member defaults in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. 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, and each Co-Owner hereby consents to the appointment of such a receiver. The Association may purchase a Unit at any foreclosure sale hereunder.

If the holder of a first mortgage on a Unit in the Condominium obtains title to the Unit as a result of foreclosure of the mortgage, deed in lieu of foreclosure or similar remedy, or any other remedy provided in the mortgage, such person, and its successors and assigns, or other purchaser at a foreclosure sale shall not be liable for unpaid assessments chargeable to the Unit which became due prior to the acquisition of title to the Unit by such person; provided, however, that all assessments chargeable to the Unit subsequent to the acquisition of title shall be the responsibility of such person as hereinbefore provided with respect to all Co-Owners.

Section 7. Obligations of the Developer.

(a) Upon the completion of a Unit, the Developer shall be responsible for payment of only a portion of the monthly assessments. Developer shall only pay that portion which corresponds to Developer's actual usage of the Unit. Consequently, Developer shall be responsible for his pro-rata share of building insurance, snow removal and lawn maintenance costs, but for no other costs. A Unit shall be deemed a "Completed Unit" thirty (30) days after the certificate of occupancy has been issued by the local public authority.

(b) The Developer shall also maintain any Incomplete Units owned by it and pay a fair share of all road maintenance (including snow removal) costs and real estate taxes in the year of the establishment of the Condominium. An "Incomplete Unit" shall mean any Unit that is not a Completed Unit or a Unit which is being used by the Developer as a model even though a certificate of occupancy has been issued.

(c) At no time will the Developer be responsible for the payment of any portion of any assessment that is levied for deferred maintenance, reserves for replacement or capital improvements or additions, or to finance litigation or other claims against the Developer, including the cost of investigating and/or preparing such litigation or claim, or any similar related costs.

Section 8. Maintenance and Repair. As provided in the Master Deed, the Association shall maintain and repair the General Common Elements, whether located inside or outside the Units, and the Limited Common Elements, to the extent set forth in the Master Deed. The costs thereof shall be charged to all the Co-owners as a common expense, unless necessitated by the negligence, misuse or neglect of a Co-owner, in which case such expense shall be charged to such Co-owner. The Association or its agent shall have access to each Unit from time to time during reasonable working hours, upon notice to the occupant thereof, for the purpose of maintenance, repair or replacement of any of the Common Elements located therein or accessible therefrom. The Association or its agent shall also have access to each Unit at all times without notice for making emergency repairs necessary to prevent damage to other Units, the Common Elements, or both.

Each Co-owner shall provide the Association means of access to his Unit and any Limited Common Elements appurtenant thereto during all periods of absence, and if such Co-owner fails to provide a 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 or any Limited Common Elements appurtenant thereto caused thereby or for the repair or replacement of any doors or windows damaged in gaining such access, the costs of which damage shall be borne by such Co-owner. Unless otherwise provided herein or in the Master Deed, damage to a Unit or its contents caused by the repair or maintenance activities of the Association, or by the Common Elements, shall be repaired at the expense of the Association.

All other maintenance and repair obligations shall, as provided in the Master Deed, rest on the individual Co-owner. Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements, including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other Common Elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, his family, guests, agents or invitees, unless such damages or costs are actually reimbursed from insurance carried by the Association, in which case there shall be no such responsibility (if reimbursement to the Association is excluded by virtue of a deductible provision, the responsible Co-owner shall bear the expense to the extent of the deductible amount, anything else in these Condominium Bylaws to the contrary notwithstanding). Any costs or damages to the Association that are herein or elsewhere in the Condominium Documents assigned to the individual Co-owner may be assessed to and collected from the responsible Co-owner in the manner provided for regular assessments in Article V, Section 4, hereof.

The provisions of this Section 8 shall be subject to those of Article VI, Sections 1-3, in the event of repair or replacement on account of a casualty loss.

Section 9. Taxes. Subsequent to the year in which the Condominium is established, all special assessments and property taxes shall be assessed against the individual Units and not upon the total property of the Condominium or any part thereof. Taxes and special assessments which have become a lien against the property of the Condominium in the year of its

establishment (as provided in Section 231 of the Act) shall be Expenses of Administration and shall be paid by the Association. Each Unit shall be assessed a percentage of the total bill for such taxes and assessments equal to the Percentage of Value allocated to it in the Master Deed, and the Co-owners owning those Units shall reimburse the Association for their Unit's share of such bill within ten (10) days after they have been tendered a statement therefor.

Section 10. Documents to Be Kept. The Association shall keep current copies of the approved Master Deed, all amendments thereto, and all other Condominium Documents available for inspection at reasonable hours by Members, prospective purchasers and prospective Mortgagees of Condominium Units.

Section 11. Reserve for Major Repairs and Replacement. The Association shall maintain a reserve fund for major repairs and replacement of Common Elements in an amount equal to at least ten percent (10%) of the Association's current annual budget on a noncumulative basis. Moneys in the reserve fund shall be used only for major repairs and replacement of Common Elements. THE MINIMUM STANDARDS REQUIRED BY THIS SECTION MAY PROVE INADEQUATE FOR A PARTICULAR PROJECT. The Association of Members should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes.

Section 12. Statement of Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any Unit may request a statement from the Association as to the outstanding amount of any unpaid assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds a right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing the same fully enforceable against such purchaser and the Unit itself.

ARTICLE VI INSURANCE; REPAIR OR REPLACEMENT

Section 1. Association Coverage. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium, Fidelity Bond coverage for the members of the Board and any management agent who has access to and authority over any monies received by or payable to the Association, Directors and Officers Liability coverage, and such other insurance as the Board of Directors deems advisable, and all such insurance shall be carried and administered in accordance with the following provisions:

(a) Respective Responsibilities. All such insurance shall be purchased by the Association for the benefit of the Association, 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. Unit owners must obtain additional insurance upon their Units and appurtenant Limited Common Elements, at their own expense, in addition to the coverage carried by the Association. It shall be each Co-Owner's responsibility to obtain insurance coverage for the interior of the Unit, personal property located within a Unit or elsewhere in the Condominium, as well as for all improvements and betterments to the Unit and Limited Common Elements, and for personal liability and property damage for occurrences within a Unit or upon Limited Common Elements appurtenant to a Unit for which the Co-Owner is responsible pursuant to Article IV of the Master Deed, and also for alternative living expense in event of fire or other casualty, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association and all Co-Owners shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-Owner or the Association. The liability insurance carried by the Association and the Co-Owners shall, where appropriate, contain cross-liability endorsements to cover liability of the Co-Owners as a group to another Co-Owner.

(b) Insuring of Common Elements. 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 maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with its appropriate professional advisors. Any improvements or items installed in addition to such standard items, regardless of by whom installed, shall be covered by insurance obtained by and at the expense of the individual Co-Owners; provided that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-Owner and collected as a part of the assessments against said Co-Owner under Article V hereof.

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

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, 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 VI of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction, and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first Mortgages on Units in the Condominium have given their prior written approval.

(e) Determination of Primary Carrier. It is understood that there will be overlapping coverage between the Co-Owners and the Association, as required to be carried pursuant to this Article. In situations where both coverages/policies are applicable to a given loss, the provisions of this subsection shall control in determining the primary carrier. In cases of

property damage to the Unit and its contents or a Limited Common Element for which the Co-Owner is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed (including improvements and betterments), the Co-Owner's policy/carrier shall be deemed to be the primary carrier. In cases of property damage to the General Common Elements or a Limited Common Element for which the Association is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed, the Association's policy/carrier shall be deemed to be the primary carrier. In cases of liability for personal injury or otherwise, for occurrences in/on the Unit or in/upon a Limited Common Element for which the Co-Owner is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed (including improvements and betterments), the Co-Owner's policy/carrier shall be deemed to be the primary carrier. In cases of liability for personal injury or otherwise, for occurrences in/on the General Common Elements or in/upon a Limited Common Element for which the Association is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed (including improvements and betterments), the Association's policy/carrier shall be deemed to be the primary carrier. In all cases where the Association's policy/carrier is not deemed the primary policy/carrier, if the Association's policy/carrier contributes to payment of the loss, the Association's liability to the Co-Owner shall be limited to the amount of the insurance proceeds, and shall not in any event require or result in the Association paying or being responsible for any deductible amount under its policies. In cases where the Co-Owner's policy is deemed primary for the purpose of covering losses where the damage is incidental or caused by a general common element or the repair or replacement thereof, the insurance carrier of the Co-Owner shall have no right of subrogation against the Association or its carrier.

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

Section 3. Indemnification. Each individual Co-Owner shall indemnify and hold harmless every other Co-Owner and the Association for all damages and costs, including attorneys' fees, which such other Co-Owners or the Association may suffer as a result of defending any claim arising out of an occurrence on or within such individual Co-Owner's Unit or appurtenant Limited Common Elements and shall carry insurance to secure this indemnity if so required by the Association. This Section 3 shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-Owner.

Section 4. Determination of Reconstruction or Repair. If any part of the Condominium shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) Repair or Reconstruction. If the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by the affirmative vote of eighty (80%) percent 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 prior written approval of such termination.

(b) Decision Not to Repair, or Reconstruct. If the Condominium is so damaged that no Unit is tenantable, and if each institutional holder of a first Mortgage lien on any Unit in the Condominium has given its prior written approval of the termination of the Condominium, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless eighty (80%) percent or more of all Co-Owners in number and value agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

(c) Repair and Reconstruction To Condition Existing Prior to Damage. 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 5. Co-Owner Responsibility for Reconstruction or Repair.

(a) Definition of Responsibility. If the damage is only to a part of a Unit or Limited Common Elements which are the responsibility of a Co-Owner to maintain and repair and/or insure, it shall be the responsibility of the Co-Owner to repair such damage in accordance with Subsection B hereof. In all other cases, the responsibility for reconstruction and repair, although not necessarily the costs thereof, shall be that of the Association.

(b) Co-Owner Items. Regardless of the cause or nature of any damage or deterioration, including but not limited to incidents where the damage is incidental or caused by a General Common Element or the repair or replacement thereof, each Co-Owner shall be responsible for the reconstruction and repair of the interior of the Co-Owner's Unit and all fixtures, trim and personal property, including, but not limited to, floor coverings, window shades, draperies, interior walls (but not any General Common Elements therein), wall coverings, interior trim, furniture, light fixtures, and all appliances, whether freestanding or built-in. Each Co-Owner shall be further responsible for the repair, reconstruction and maintenance of all items for which the Co-Owner is assigned such responsibility in Article IV of the Master Deed. In the event damage to interior walls within a Co-Owner's Unit or to pipes, wires, conduits, ducts or other Common Elements therein is covered by insurance held by the Association, then the reconstruction or repair of the same shall be the responsibility of the Association in accordance with Section 6 of this Article, although the responsibility for costs thereof shall be allocated in accordance with the provisions of this Section and Section 6. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-Owner, the Co-Owner shall be entitled to receive the proceeds of insurance relative

thereto, absent Co-Owner coverage, (but the Co-Owner shall be responsible for any deductible amount), and if there is a Mortgagee endorsement, the proceeds shall be payable to the Co-Owner and the Mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first Mortgage lien on any Unit in the Condominium.

Section 6. Association Responsibility for Reconstruction or Repair of Common Elements. Subject to the responsibility of the individual Co-Owners as outlined in Section 5 above, and other provisions of these Bylaws or the Amended and Restated Master Deed applicable to such situations, the Association shall be responsible for the reconstruction and repair of the General Common Elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair or reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated 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 the Co-Owners who are responsible for the costs of reconstruction or repair of the damaged property (as provided in Article IV of the Master Deed) in sufficient amounts to provide funds to pay the estimated or actual costs of repair.

Section 7. Timely Reconstruction. If damage to Common Elements or a Unit adversely affects the appearance of the Condominium, the Association or Co-Owner responsible for the reconstruction, repair and maintenance thereof shall proceed with the replacement or repair of the damaged property without delay, and shall complete such replacement or repair within six (6) months after the date of the occurrence which caused damage to the property.

Section 8. Co-Owner Maintenance of Unit and Limited Common Elements. Each Co-Owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-Owner shall also use due care to avoid damaging any of the Common Elements, including, but not limited to, the telephone, water, gas, plumbing, electrical, cable TV or other utility conduits and systems and any other Common Elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-Owner shall be responsible for damages or costs to the Association resulting from damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, or by casualties and occurrences, whether or not resulting from Co-Owner negligence, involving items or common elements which are the responsibility of the Co-Owner to maintain, repair and replace, unless such damages or costs are covered by insurance carried by the Association, in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-Owner shall bear the expense to the extent of the deductible amount.) Any costs or damages to the Association may be assessed to and collected from the responsible Co-Owner in the manner provided in Article V hereof. Each individual Co-Owner shall indemnify the Association and all other Co-Owners against such damages and costs, including attorneys' fees, and all such costs or damages to the Association may be assessed to and collected from the responsible Co-Owner in the manner provided in Article V 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 9. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

(a) The Association, acting through its Board of Directors, may negotiate on behalf of all Members for any taking of Common Elements. Any negotiated settlement shall be subject to the approval of more than two-thirds (2/3) of the Members in number and in value and shall thereupon be binding on all Members.

(b) If an entire Unit is taken by eminent domain, the award for such taking shall be paid to the Association for the benefit of the owner of such Unit and the Mortgagee thereof, as their interests may appear. After acceptance of such award by the Member and his Mortgagee, they shall be divested of all interest in the Condominium. The undivided interest in the Common Elements belonging to the Member whose Unit has been taken shall thereafter appertain to the remaining Units, including those restored or reconstructed under the provisions of this section.

(c) If any condemnation award shall become payable to any Member whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Association on behalf of such Member and his Mortgagee, as their interests may appear. If only a part of any Unit is taken, the Association shall, if practical, use the award to rebuild the same to the extent necessary to make it habitable and remit the balance of the condemnation proceeds attributable to such Unit to the Member and Mortgagee thereof, as their interests may appear.

(d) If any portion of the Condominium other than any Unit is taken, the condemnation proceeds relative to such taking shall be paid to the Association, and the affirmative vote of more than fifty (50%) percent of the Members in number and in value at a meeting duly called shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation proceeds shall be remitted to the Members and their respective Mortgagees, as their interests may appear, in accordance with their respective Percentages of Value set forth in Article V of the Master Deed.

(e) If the Condominium Project continues after a taking by eminent domain, then the remaining portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall be amended to reflect such taking and to proportionately readjust the Percentages of Value of the remaining Members based upon a continuing value for the Condominium of one hundred (100%) percent. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Members, but only with the prior written approval of all Mortgagees of individual Units in the Project.

(f) If any Condominium Unit, 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 mortgagee of the Condominium Units.

(g) If the taking of a portion of a Condominium Unit makes it impractical to rebuild the partially taken Unit to make it habitable, then the entire undivided interest in the Common Elements appertaining to that Condominium Unit shall thenceforth appertain to the remaining Condominium Units, and shall be allocated to them in proportion to their respective undivided interests in the Common Elements. The remaining portion of that Condominium Unit shall thenceforth be a Common Element.

(h) Votes in the Association of Members and liability for future Expenses of Administration appertaining to a Condominium Unit taken or partially taken (as provided in subsection (g) hereof) by eminent domain shall thenceforth appertain to the remaining Condominium Units, and shall be allocated to them in proportion to their relative voting strength by value in the Association.

Section 10. Construction Liens. The following provisions shall control the circumstances under which construction liens may be applied against the Condominium or any Unit thereof:

(a) Except as provided below, a construction lien for work performed on a Condominium Unit or upon a Limited Common Element may attach only to the Unit upon or for the benefit of which the work was performed.

(b) A construction lien for work authorized by the Developer and performed upon the Common Elements may attach only to Units owned by the Developer at the time of recording of the claim of lien.

(c) A construction lien for work authorized by the Association may attach to each Unit only to the proportional extent that the Member owning the Unit is required to contribute to the Expenses of Administration as provided by the Condominium Documents.

(d) A construction lien may not arise or attach to a Unit for work performed on the Common Elements not contracted for by the Developer or the Association.

If a Member is advised or otherwise learns of a purported construction lien contrary to the foregoing, he shall immediately notify the Board of Directors. Upon learning of the purported construction lien, the Board shall take appropriate measures to remove any cloud on the title of Units improperly affected thereby.

Section 11. Notice of FHLMC. If any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), then the Association shall give FHLMC written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium, if the loss or taking exceeds Ten Thousand Dollars (\$10,000) in amount.

Section 12. Mortgages. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit Co-Owner, or any other party, priority over any rights of

Mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to a Condominium Unit Co-Owner of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units, Common Elements or both.

ARTICLE VII
USE AND OCCUPANCY RESTRICTIONS; ENFORCEMENT

Section 1. Establishment of Restrictions. In order to provide for congenial occupancy of the Condominium, and for the protection of the value of the Units, the use of Condominium property shall be subject to the following limitations:

(a) Property Subject to These Restrictions. All of the Units in the Condominium Project shall be subject to these restrictions. Developer, or its successors or assigns, has the right to contract Daisy Square Lofts Condominium by removing all or any portion of the Contraction Property to the Condominium in the manner provided in the Master Deed.

(b) Building and Use Restrictions.

(i) Residential Use. No Condominium Unit shall be used for other than single-family residential purposes and the Common Elements shall be used only for purposes consistent with the use of single-family residences as defined by City of Plymouth Ordinance.

(ii) Modification or Alteration. No Member shall alter the exterior appearance or structurally modify his Unit (including interior walls through or in which there exist easements for support or utilities) or change any of the Limited or General Common Elements from the way it or they were originally constructed by the Developer, including, without limitation, painting the exterior or erecting antennae, satellite dishes, lights, aerials, awning, doors, shutters or other exterior attachments or modifications, nor shall any Member damage, modify or make attachments to Common Element walls between Units, which alterations in any way impair the sound-conditioning properties thereof, without the express written approval of the Board of Directors. The Board of Directors, in its sole discretion, may disapprove any such request. However, it may only approve such alterations as do not impair the structural soundness, safety, utility, integrity or appearance of the Condominium. The Board of Directors may appoint an Environmental Control Committee and may delegate to it the responsibility for establishing rules relating to the appearance of Units and common areas, and the approval of the construction, maintenance and repair thereof. Even after approval, a Member shall be responsible for all damages to any other Units and their contents or to the Common Elements resulting from any such alteration.

(iii) Nuisance. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the limited or General Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Members, nor shall any unreasonably noisy activity be carried on in any Unit or on the Common Elements. No Member owning any Unit shall do or permit anything to be done to keep or permit to be kept in his Unit or on the Common Elements anything that will increase the insurance rate on the Condominium without the written approval of the Association. Each Member who is the cause

thereof shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

(iv) Trash. Neither the Limited nor General Common Elements shall be used to store supplies, materials, personal property, trash or refuse of any kind, except as designated by the Association.

(v) Common Elements. The Common Elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. Automobiles may only be washed in areas approved by the Association. In general, no activity shall be carried on nor condition maintained by a Member, either in his Unit or upon the Common Elements, which unreasonably spoils the appearance of the Condominium. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, halls, stairs and, in general, all of the Common Elements, 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, benches, strollers, children's toys, or other personal property may be left unattended on or about the Common Elements, without the prior written consent of the Board of Directors. Use of any recreational facilities in the Condominium by children may be limited to such times and in such manner as the Association shall determine by duly adopted regulations.

(vi) Advertising. No signs or other advertising devices shall be displayed which are visible from the exterior of a residential Unit or on the Common Elements, including "For Sale" or "For Rent" signs.

(vii) Rules. Reasonable regulations consistent with the Act, the Master Deed and these Condominium Bylaws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the Board of Directors appointed by the Incorporator and its successors. Copies of all such regulations and amendments thereto shall be furnished to all Members and shall become effective ten (10) days after mailing or delivery thereof to the designated voting representative of each Member. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Members in number and in value at any duly convened meeting of the Association, except that the Members may not revoke any regulation or amendment prior to the first meeting of the Association.

(viii) Landscaping. No Member shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements without the express written approval of the Board of Directors. Co-Owners may have container planters or flower boxes on their balcony railings (not windows), however, such planting containers must hang on the interior of such railing.

(ix) Outdoor Furniture and Grills. No unsightly condition shall be maintained upon any balconies and only furniture and equipment consistent with ordinary balcony or patio use shall be permitted to remain there during seasons when such areas are reasonably in use, and such furniture or equipment shall be stored in a neat and sightly manner during seasons when they are not reasonably in use. Only grills using propane or natural gas are allowed, charcoal grills are strictly forbidden.

(x) Animals. No more than two (2) common household pets may be kept in the Condominium Unit. No exotic pets shall be allowed. Pets must be kept quiet. Pets that create noise or otherwise create a nuisance can be ordered permanently removed from the Condominium Project by the Board. Such pet may not be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No savage or dangerous pet shall be kept. No pet may be permitted to run loose upon the Common Elements, limited or general, however, pets may be loose if contained within a balcony or patio. Owners shall clean up after their pets. The Association may charge all Co-Owners maintaining a pet a reasonable additional assessment to be collected in the manner provided in Article V, Section 4, of these Condominium Bylaws if the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to pets as it may deem proper. Any person who causes an animal to be brought or kept in the Condominium shall indemnify and hold harmless the Association for any damage, loss or liability which might accrue to the Association as a result of the presence of such animal in the Condominium. Pet owners shall be subject to fines for failure to keep pets in accordance with these rules.

(xi) Trailers and Recreational and Commercial Vehicles. No house trailers, commercial vehicles, boat trailers, boats, campers, camping vehicles, camping trailers, snowmobiles, snowmobile trailers or motor vehicles or trailers other than automobiles and motorcycles may be parked or stored on the Condominium premises, with the exception of storage contained wholly within a Garage Unit and the limited common element parking spaces assigned to Units 17, 18, 36, 37 and 38 (Address Numbers 118, 119, 218, 219 and 301, respectively). Commercial vehicles and trucks shall not be parked in or about the Condominium unless while making deliveries or pickups in the normal course of business. No vehicles shall be parked on the Condominium premises except in a Garage Unit or other designated parking areas. No unlicensed or inoperative vehicles may be stored on the Condominium premises. No automotive or other motor vehicle repair shall be conducted on the Condominium premises.

(xii) Firearms and Weapons. No Co-Owner shall use, or permit the use by any occupant, agent, tenant, invitee, guest, or member of the Co-Owner's family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, illegal fireworks or other dangerous weapons, projectiles, or devices anywhere on or about the Condominium.

(xiii) Developer's Activities. None of the restrictions contained in this Article VII shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Development and Sales Period, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation and these Condominium Bylaws as the same may be amended from time to time. Until all Units that may be created in the Condominium have been sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model Units, storage areas, reasonable signage and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by Developer.

Section 2. Enforcement. Developer shall have the right to enforce these restrictions. Developer may assign, in whole or in part, its rights and responsibilities hereunder to the Association, and when the last Unit in the Condominium Project held by Developer has been conveyed to a Non-Developer Co-Owner, this assignment shall occur automatically. The Association's cost of exercising its rights and administering its responsibilities hereunder shall be Expenses of Administration (as defined in Article V above), provided that the Association shall be entitled to recover its cost of proceeding against a breach by a Co-Owner as provided in Article XII below. All present and future Co-Owners, tenants and any other persons or occupants using the facilities of the Condominium in any manner are subject to and shall comply with the Act, the Master Deed, these Condominium Bylaws, the Articles of Incorporation, and Rules and Regulations of the Association. Failure to comply with any of the terms of the Act, the Master Deed, these Condominium Bylaws, the Articles of Incorporation, or Rules and Regulations of the Association, shall be grounds for relief, which may include, without limitation, an action to recover sums due for such damages, injunctive relief, and any other remedy that may be appropriate to the nature of the breach. The failure of the Association to enforce any right, provision, covenant or condition which may be granted by the Act, the Master Deed, these Condominium Bylaws, the Articles of Incorporation, or Rules and Regulations of the Association shall not constitute a waiver of the right of the Association to enforce such right, provision, covenant or condition in the future.

ARTICLE VIII APPROVAL OF LEASE

Section 1. Notice of Desire and Intent. A Member who desires to rent or lease his Condominium Unit for any term shall provide notice of such desire to the Board of Directors at least ten (10) days prior to presenting a lease form to a potential lessee, or at least ten (10) days prior to change in possession in the event a written lease has not been entered into. Notwithstanding the foregoing, all leases must be in writing, and the Member shall provide to the Board a copy of the exact lease form proposed so that the Board may review it for compliance with the Condominium Documents. Tenants and non-Co-Owner occupants shall comply with all of the conditions of the Condominium Documents and all of the provisions of the Act, and all leases and rental agreements shall so state. The Board shall advise the Member of any deficiencies in the lease form, and the Member shall correct such deficiencies as directed by the Board before presenting a copy of the lease form to a potential lessee. If the Developer desires to rent or lease a Condominium Unit before the Transitional Control Date, it shall notify either the Advisory Committee, if any, or each Co-Owner in writing.

Section 2. Additional Restrictions on Leasing. No Member shall lease less than an entire Unit in the Condominium, and no tenant of a Unit shall be permitted to occupy a Unit, except under written lease, the initial term of which is less than six (6) months, unless specifically approved in writing by the Board of Directors. The Board may, except to the extent prohibited by law, require a security deposit from any proposed tenant of a Unit as a condition to the approval of any lease.

Section 3. Non-Co-Owner Compliance.

(a) All non-Co-Owner occupants shall comply with all of the terms and conditions of the Condominium Documents and the provisions of the Act.

(b) If the Association determines that a non-Co-Owner occupant has failed to comply with the conditions of the Condominium Documents, or the provisions of the Act, the Association shall take the following action:

(i) The Association shall advise the appropriate Member by certified mail of the alleged violation by a person occupying his Unit.

(ii) The Member shall have fifteen (15) days after receipt of the notice to investigate and correct the alleged breach or advise the Association that a violation has not occurred.

(iii) If after fifteen (15) days the Association believes that the alleged breach has not been cured or may be repeated, it may institute on its behalf, or derivatively by the Members on behalf of the Association if it is under the control of the Developer, an action for eviction against the non-Co-Owner occupant and simultaneously, for money damages against the Member and non-Co-Owner occupant for breach of the conditions of the Condominium Documents or of the Act. The relief set forth in this section may be by any appropriate proceeding. The Association may hold both the non-Co-Owner occupant and the Member liable for any damages caused to the Condominium.

(c) If a Co-Owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a non-Co-Owner occupant occupying the Co-Owner's Unit under a lease or rental agreement and the non-Co-Owner occupant, after receiving such notice, shall deduct from rental payments due the Co-Owner the full arrearage, and future assessments as they fall due, and pay them to the Association. Such deductions shall not be a breach of the lease agreement by the non-Co-Owner occupant. If the non-Co-Owner occupant, after being notified, fails or refuses to remit rent otherwise due the Co-Owner to the Association, then the Association may:

(i) Issue a statutory notice to quit for non-payment of rent to the non-Co-Owner occupant and shall have the right to enforce that notice by summary proceeding; or

(ii) Initiate proceedings pursuant to subsection (b)(iii) of this Section 10.

ARTICLE IX
MORTGAGES

Section 1. Mortgage of Units. No Member owning any Unit may mortgage his Unit or any interest therein without the approval of the Association except to a bank, pension fund, insurance company, savings and loan association, credit union or other institutional lender. The approval of any other mortgage may be arbitrarily withheld; provided, that nothing herein shall

be construed to prevent the Developer from accepting a purchase money mortgage as a part of the purchase price of a Unit nor prevent a Member from accepting a purchase money mortgage from a subsequent approved purchaser.

Section 2. Notice of Mortgage. A Member who mortgages a Unit shall notify the Association of the name and address of his Mortgagee and shall file a conformed copy of the note and mortgage with the Association, which shall maintain such information in a book entitled "Mortgages of Units."

Section 3. Notice of Default. The Association shall give to the holder of any mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Member owning such Unit that is not cured within sixty (60) days.

Section 4. Notice of Insurance. The Association shall notify each Mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

Section 5. Notice of Meetings. Upon request submitted to the Association, any institutional holder of a 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.

Section 6. Acquisition of Title by Mortgagee. As provided in Article V, Section 6, any first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the mortgage, or a deed in lieu thereof, shall not be liable for such Unit's unpaid assessments which accrue prior to acquisition of title by the first Mortgagee.

ARTICLE X AMENDMENTS

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

Section 2. Meeting to Be Held. If such an amendment is proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of the Condominium Documents.

Section 3. Vote Required. These Condominium Bylaws may be amended by an affirmative vote of two-thirds (2/3) of all Members in number and in value and two-third (2/3) of all Mortgagees at any regular meeting, or at a special meeting called for such purpose. For purposes of such voting, each Mortgagee shall have one (1) vote for each mortgage held. Mortgagees are entitled to vote on amendments to these Bylaws under the following circumstances:

- (a) Termination of the Condominium Project.

(b) A change in the method or formula used to determine the percentage of value assigned to a Unit subject to the mortgagee's mortgage.

(c) A reallocation of responsibility for maintenance, repair, replacement, or decoration for a Unit, its appurtenant Limited Common Elements, or the General Common Elements from the Association to the Unit subject to the mortgagee's mortgage.

(d) Elimination of a requirement for the Association to maintain insurance on the Condominium Project as a whole or a Unit subject to the mortgagee's mortgage or reallocation of responsibility for obtaining or maintaining, or both, insurance from the Association to the Unit subject to the mortgagee's mortgage.

(e) The modification or elimination of an easement benefiting the Unit subject to the mortgagee's mortgage.

(f) The partial or complete modification, imposition, or removal of leasing restrictions for Units in the Condominium Project.

(g) Amendments requiring the consent of all affected mortgagees under Section 90(4) of the Act.

Section 4. Amendments Not Materially Changing Condominium Bylaws. The Board of Directors may enact amendments to these Condominium Bylaws without the approval of any Member or Mortgagee, provided that such amendments shall not materially alter or change the rights of a Member or Mortgagee.

Section 5. Amendments Concerning Leases. Provisions in these Condominium Bylaws relating to the ability or terms under which a Member may rent his Unit may not, prior to the Transitional Control Date, be amended without the consent of the Developer. Any amendment to the Condominium Documents relating to the ability or terms under which a Member may rent his Unit shall not affect the rights of any Co-Owners or no-Co-Owner occupants under a written lease previously approved by the Association and executed prior to the date of such amendment.

Section 6. Effective Date. Any amendment to these Condominium Bylaws shall become effective upon the recording of such amendment in the Office of the Register of Deeds in the county where the Condominium is located. Without the prior written approval of all holders of mortgage liens on any Unit in the Condominium, no amendment to these Condominium Bylaws shall become effective which involves any change, direct or indirect, any provision hereof that alters or changes materially the rights of any Member or Mortgagee.

Section 7. Costs of Amendment. Any person causing or requesting an amendment to these Condominium Bylaws shall be responsible for the costs and expenses of considering, adopting, preparing and recording such amendment; provided, however, that such costs and expenses relating to amendments adopted pursuant to Article X, Section 3, or pursuant to a decision of the Advisory Committee shall be Expenses of Administration.

Section 8. Notice; Copies of Amendment. Members and Mortgagees of record of Condominium Units shall be notified of proposed amendments not less than ten (10) days before the amendment is recorded. A copy of each amendment to these Condominium Bylaws shall be furnished to every Member after recording; provided, however, that any amendment to these Condominium Bylaws that is adopted in accordance with this Article or the Act shall be binding upon all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XI DEFINITIONS

All terms used herein shall have the same meanings as set forth in the Act or as set forth in the Master Deed to which these Condominium Bylaws are attached as an exhibit.

ARTICLE XII REMEDIES FOR DEFAULT

Section 1. Relief Available. Any default by a Member shall entitle the Association or another Member or Members to the following relief:

(a) Failure to comply with any of the terms or conditions of the Condominium Documents shall be grounds for relief, which may include, without limitation, an action to recover sums due for damages, for injunctive relief, for foreclosure of lien (if in default in payment of an assessment) or any combination thereof, and such relief may be sought by the Association, or, if appropriate, by an aggrieved Member or Members.

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

(c) Such other reasonable remedies as provided in the rules and regulations promulgated by the Board of Directors, including, without limitation, the levying of fines against Members after notice and opportunity for hearing, as provided in the Association rules and regulations, and the imposition of late charges for nonpayment of assessments.

(d) The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the rights set forth above, to enter, where reasonably necessary, upon the limited or General Common Elements, or into any Unit, and summarily remove and abate, at the expense of the violating Member, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.

Section 2. Failure to Enforce. The failure of the Association or of any Member 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 Member to enforce such right, provision, covenant or condition in the future.

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

Section 4. Hearing. Prior to the imposition of any fine or other penalty hereunder, the offending Member shall be given a reasonable opportunity to appear before the Board and be heard. Following any such hearing the Board shall prepare a written decision and place it in the permanent records of the Association.

ARTICLE XIII ARBITRATION

Section 1. Submission to Arbitration. Any dispute, claim or grievance arising out of or relating to the interpretation or application of the Master Deed, Bylaws or management agreement, if any, or to any disputes, claims or grievances arising among or between the Members or between such Members and the Association shall, upon the election and written consent of all the parties to any such dispute, claim or grievance, and written notice to the Association, be submitted to arbitration, and the parties thereto shall accept the arbiter's decision as final and binding, and it shall be enforceable against the party in a court of competent jurisdiction. The Commercial Arbitration Rules of the American Arbitration Association, as amended and in effect from time to time hereafter, shall be applicable to such arbitration.

The arbiter may be either an attorney acceptable to both parties or a panel of three (3) individuals, at least one (1) of whom shall be an attorney. The panel shall be composed of one (1) individual appointed by the Member and one (1) individual appointed by the Board of Directors of the Association. These two panelists will then promptly agree on the third Member of the panel. No Member who is a natural person may appoint himself or a Member of his household to the panel. No corporate Member may appoint one of its directors, Officers, shareholders or employees to the panel. Neither may a Member serve on behalf of the Board.

The arbitration costs shall be borne by the losing party to the arbitration. The arbiter may require a reasonable deposit to ensure payment of costs. Such deposit shall be placed in escrow in the name of the arbiter as trustee in the name of the matter at issue.

Section 2. Effect of Election. Election by Members or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts. Any appeal from an arbitration award shall be deemed a statutory appeal.

Section 3. Preservation of Rights. No Member shall be precluded from petitioning the courts to resolve any dispute, claim or grievance in the absence of election to arbitrate.

ARTICLE XIV
BROWNFIELD PARCEL

This property was a former industrial site and is viewed as a Brownfield site by the State of Michigan. Any impacted soil will be removed and replaced with structured fill prior to the commencement of the construction of residential units. The site will also continue to have an ongoing restriction against the use of ground water and the drilling of water wells. The site is being provided with water by the local municipality.

ARTICLE XV

SEVERABILITY

If any of the terms, provisions or covenants of these Condominium 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.

ARTICLE XVI
CONFLICTING PROVISIONS

In the event of a conflict between the provisions of the Act (or other laws of the State of Michigan) and any Condominium Document, the Act (or other laws of the State of Michigan) shall govern. In the event of any conflict between the provisions of any one or more Condominium Documents, the following order of priority shall prevail, and the provisions of the Condominium Document having the highest priority shall govern:

- (1) the Master Deed, including the Condominium Subdivision Plan;
- (2) these Condominium Bylaws;
- (3) the Articles of Incorporation of the Association;
- (4) the Bylaws of the Association; and
- (5) the Rules and Regulations of the Association.

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