

EXHIBIT "A"
QUARRY DUNES
CONDOMINIUM BYLAWS

The administration of the Condominium shall be governed by the following Bylaws, which replace any previous versions of condominium, association or corporate bylaws:

ARTICLE 1
ASSOCIATION OF OWNERS

The Condominium shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. Each Co-owner shall be a member of the Association. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledge or transferred in any manner except as an appurtenance to their Unit. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions of these Bylaws.

ARTICLE 2
ASSESSMENTS

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

Section 1. Expenses of Administration. Expenditures affecting the administration of the Project (collectively referred to as "expenses of administration") shall include costs incurred in the satisfaction of any liability arising within, caused by, or connected with, the Common Elements or the administration of the Condominium Project. Receipts affecting the administration of the Condominium Project shall include all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project.

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

(a) Budget and Annual Assessments. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular installment payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget on a non-cumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular Project, the Association of Co-owners should carefully analyze the Condominium Project to



determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner, and the regular, annual assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner of any existing or future assessments.

Should the Board of Directors at any time decide, in the sole discretion of the Board of Directors, that (1) the annual assessment is insufficient to pay the costs of operation and management of the Condominium, (2) the repair or replacement of existing Common Elements is necessary, (3) additions to the Common Elements are necessary not exceeding \$3,000 per year for the entire Condominium Property, or (4) there is an emergency, the Board of Directors shall have the authority to increase the regular, annual assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors shall also have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article 5, Section 3 of these Condominium Bylaws. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association.

(b) Special Assessments. Special assessments may be proposed by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements exceeding \$3,000 per year for the entire Condominium Project, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this Section 2(b) shall not be levied without the prior approval of more than 60% of all Co-owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and its members and shall not be enforceable by any creditors of the Association.

Section 3. Apportionment of Assessment and Penalty for Default. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners based upon the Percentages of Value set forth in Article 5, Section 2 of the Master Deed.

Annual assessments as determined in accordance with Article 2, Section 2(a) above shall be payable by the Co-owners in installments set at a frequency determined by the Board of Directors, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means.

The payment of an assessment shall be in default if the assessment, or any part thereof, is not paid to the Association by the due date stated on the statement. A late fee of \$50.00 per month shall be imposed on each installment in default for ten or more days until paid in full. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to their Unit which may be levied while any such Co-owner is the owner thereof.



Sums assessed to a Co-owner by the Association of Co-owners which are unpaid shall constitute a lien upon the Unit or Units in the Project and shall be subject to foreclosure as provided by Section 108 of the Act. The lien upon each Condominium Unit owned by the Co-owner shall be in the amount assessed against Unit, plus a proportionate share of the total of all other unpaid assessments attributable to Condominium Units no longer owned by the Co-owner but which became due while the Co-owner had title to the Condominium Units. The lien may be foreclosed by an action or by advertisement by the Association in the name of the Condominium Project on behalf of the other Co-owners.

Payments on account of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorney fees; second, to any interest charges and fines; and third, to installments in default in order of their due dates. A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve account or other asset of the Association.

Section 4. Waiver of Use or Abandonment of Unit. No Co-owner may exempt themselves from liability for their contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of their Unit.

Section 5. Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against their Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon 7 days written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress and egress to and from their Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. The Association may also assess fines for late payment or nonpayment of assessments in accordance with the provisions of Article 15 of these Bylaws. All of these remedies shall be cumulative and not alternative.

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

time of acquiring title to such Unit, they were aware of the provisions of this subparagraph and that they voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

(c) Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at their last known address, a written notice that one or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within 10 days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory or other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney's fees and future assessments), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the County Register of Deeds prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the 10 day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law.

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

Section 6. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the earlier of the date of the Sheriff's sale or the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata re-allocation of such assessments or charges to all Units including the mortgaged Unit).

Section 7. Property Taxes and Special Assessments. All property taxes and special assessments levied by a public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 8. Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 9. Construction Lien. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

Section 10. Statement as to Unpaid Assessments. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association

assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least 5 days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the liens securing the same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and shall be paid out of the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE 3 ARBITRATION

Section 1. Scope and Election. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputed claims or grievances arising among or between the Co-owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding, provided that no questions affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

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

Section 3. Election of Remedies. Such election and written consent by Co-owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

ARTICLE 4 INSURANCE

Section 1. Extent of Coverage. The Association shall, to the extent appropriate in light of the nature of the dwellings, Units and Common Elements of the Project, carry fire and extended coverage, vandalism and malicious mischief and liability insurance (in a minimum amount to be determined by the Board of Directors of the Association in its discretion, but in no event less than \$500,000 per occurrence), officers' and directors' liability insurance; and workmen's compensation insurance, if applicable, and any other insurance the Association may deem applicable, desirable or necessary, pertinent to the Co-owners' ownership, use and maintenance of the dwellings, Units and Common Elements and such insurance shall be carried and administered in accordance with the following provisions:

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

endorsements to the mortgagees of Co-owners.

(b) Insurance of Common Elements. All Units, dwellings and Common Elements of the Condominium Project shall be insured against fire (if appropriate) and other perils covered by a standard extended coverage endorsement, if applicable and appropriate, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

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

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the 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 5 of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Project unless all of the institutional holders of first mortgages on Units in the Project have given their prior written approval.

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a dwelling and Unit in the Condominium Project, shall be deemed to appoint the Association as his or her true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project and dwellings, Units and the Common Elements appurtenant thereto, with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit the insurance premiums, to collect proceeds and to distribute them 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. Responsibilities of Co-owners. Each Co-owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the interior of the dwelling constructed or to be constructed within the perimeter of his or her Condominium Unit for his or her personal property located therein or thereon or elsewhere on the Condominium Project. There is no responsibility on the part of the Association to insure interiors of dwellings or their contents. Each Co-owner also shall be obligated to obtain insurance coverage for his or her personal liability for occurrences within the perimeter of his or her Unit and affecting appurtenant Limited Common Elements or the improvements located thereon (naming the Association as a co-insured), and also for any other personal insurance coverage that the Co-owner wishes to carry. Such insurance shall be carried in such minimum amounts as may be specified by the Association and each Co-owner shall furnish evidence of such coverage to the Association annually.



The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so. Each Co-owner shall also be provided a certificate of insurance as soon as it is available from the insurer. Co-owners may obtain supplementary insurance but in no event shall any such insurance coverage undertaken by a Co-owner permit a Co-owner to withhold payment of the share of the Association assessment that relates to the equivalent insurance carried by the Association. The Association also shall not reimburse Co-owners for the cost of premiums resulting from the early cancellation of an insurance policy. To the extent a Co-owner does or permits anything to be done or kept on his or her Unit that will increase the rate of insurance each Co-owner shall pay to the Association, the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition shall be charged to the Co-owner responsible for such activity or condition.

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

Section 5. Indemnification. Each individual Co-owner shall indemnify and hold harmless every other Co-owner 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 and shall carry insurance to secure this indemnity if so required by the Association. This Section 5 shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner.

ARTICLE 5 RECONSTRUCTION OR REPAIR

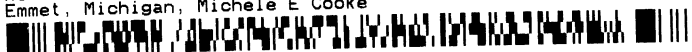
Section 1. Determination of Reconstruction or Repair. If any part of the Condominium Premises or any dwelling shall be damaged, the determination of whether or not it shall be reconstructed or repaired, and the responsibility therefor, shall be as follows:

(a) Partial Damage. If the damaged property is a Common Element or a dwelling within a Unit, the property shall be rebuilt or repaired if any dwelling constructed within a Unit in the Condominium is tenantable, unless it is determined by an affirmative vote of 80% of the Co-owners in the Condominium that the Condominium shall be terminated.

(b) Total Destruction. If the Condominium is so damaged that no dwelling within a Unit is tenantable, the damaged property shall not be rebuilt unless 80% or more of the Co-owners in value and in number agree to reconstruction by vote or in writing within 90 days after the destruction.

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

Section 3. Co-owner Responsibility for Repair.



(a) Definition of Co-owner Responsibility. If the damage is only to a part of a dwelling within a Unit or of a Unit which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with Subsection (b). In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

(b) Damage to Interior of Dwelling. Each Co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of his or her dwelling including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any Common Elements therein), interior trim, furniture, light fixtures and all appliances, whether free-standing or built-in. In the event damage to interior walls within a Co-owner's dwelling or to pipes, wires, conduits, ducts or other common facilities which are subject to the Party Wall provision of Article 7 of the Master Deed, or to any fixtures, equipment and trim which are standard items within a dwelling is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 4 of this Article 5. If any other interior portion of a dwelling is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto, and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any dwelling or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 4. Association Responsibility for Repair. Except as provided in Section 3 hereof, the Association shall be responsible for the reconstruction, repair and maintenance of the dwellings, Units, party walls and Common Elements. Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement or mature trees and vegetation with equivalent trees or vegetation.

Section 5. Timely Reconstruction and Repair. If damage to Common Elements, or a Unit adversely affects the appearance of the Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay, and shall complete such replacement within 9 months after the date of the occurrence which caused damage to the property.

Section 6. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

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



taken by eminent domain, such Co-owner and mortgagee shall, after acceptance of the condemnation award therefore, be divested of all interest in the Condominium Project.

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

(c) Continuation of Condominium After Taking. In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article 5 of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the Percentages of Value of the Condominium to 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by a Co-owner.

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

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

ARTICLE 6

ARCHITECTURAL, BUILDING SPECIFICATIONS AND USE RESTRICTIONS

All of the Units in the Condominium shall be held, used and enjoyed subject to the following limitations and restrictions:

Section 1.

(a) Residential Use. No Unit in the Condominium shall be used for other than single-family residential purposes and the Common Elements shall be used only for purposes consistent with single-family residential use.

(b) Maintenance Standards. Each Unit, dwelling within a Unit and the Condominium Project (including without limitation the Common Elements) shall be used and maintained as a beautiful, serene, first class, private, residential community, according to the terms and conditions of the Condominium Documents.

(c) Guests. Units may only be used as single-family residences; provided, however, that from time to time a Unit may also be occupied by a reasonable number of guests (which may include all the members of another family). In no event may any Unit be used as a residence for more than one family.

(d) Professional Uses Barred. Units may not be used to conduct any business, trade, or profession; provided, however, that any Co-owner may maintain a professional library in a dwelling, maintain personal records and conduct personal business in the dwelling, and

participate in business or professional telephone calls in the dwelling.

Section 2. Leasing and Rental.

(a) Right To Lease. A Co-owner may lease his or her Unit for the same purposes set forth in Section 1 of this Article 6; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association (or the Association's managing agent) in the manner specified in subsection (b) below. With the exception of a lender in possession of a Unit following a default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium and no tenant shall be permitted to occupy except under a lease, the initial term of which is at least six months. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents.

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

(1) A Co-owner desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least 10 days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association (or its managing agent) with a copy of the exact lease form for its review for its compliance with the Condominium Documents. Each time a Co-owner changes any term(s) of their lease form, the revised lease form must be re-submitted to the Association. Each Co-owner agrees to utilize any standard lease or sub-lease form(s) adopted by the Association; all lease forms shall also conform to the leasing related laws of the State of Michigan.

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

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

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

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

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



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

Section 3. Drainage. The grade of any Unit in the Condominium may not be changed from the Grading Plan approved by the Township of Resort and/or the city of Petoskey. The Grading Plan may be subsequently amended from time to time as conditions require and subsequently approved by the Township of Resort and/or the city of Petoskey. It shall be the responsibility of each Owner to maintain the surface drainage grades of his or her Unit as initially established. Each Owner covenants that he or she will not change the surface grade of his or her Unit in a manner which will materially increase or decrease the storm water flowing onto or off of his or her Unit and will not block, pond or obstruct surface water. The Board of Directors of the Association shall enforce this covenant and shall charge the costs of the correction to the Owner and such costs shall be a lien upon the Unit.

Section 4. Alterations and Modifications. No Co-owner shall make any alterations in the exterior appearance of his or her dwelling or make changes in any of the Common Elements, limited or general, without the express written approval of the Association. No Co-owner shall in any way restrict access to or tamper with any pump, plumbing, waterline, waterline valves, water meter, sprinkler system valves or any other element that must be accessible to service other Units, the Common Elements or which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachment of any nature that restrict such access and it will have no responsibility for repairing, replacing or reinstalling any materials that are damaged in the course of gaining such access.

Section 5. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time and disputes among Co-owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the Association. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his or her dwelling, on his or her Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: Any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

Any activity conducted on any Unit that may unreasonably embarrass, discomfort or annoy occupants of other Units or dwellings within Units is prohibited. Trash, leaves and any other debris may not be burned within the Condominium Project. Any device or thing or activity that is in any manner noxious, noisy, dangerous, unsightly or unpleasant or that might diminish or destroy the reasonable enjoyment of the Condominium Premises by the Co-owners is prohibited.

Section 6. Architectural Control. No building, structure or other improvement shall be constructed within a Condominium Unit or elsewhere within the Condominium Project, nor shall any material exterior modification be made to any existing buildings, structure or Improvement, unless plans and specifications therefor, containing such detail as the Association may reasonably request, have first been approved in writing by the Association and unless the location and construction of such structure or building comply with the restrictions set forth in the Development Agreement between Golf Sites, L.L.C. and Quarry Dunes, L.L.C. (a/k/a Quarry Dunes Development Company, L.L.C.) dated January 2, 1999, a copy of which has or will be provided to each Quarry Dunes Condominium purchaser. Construction of any building or other improvements must also receive any necessary approvals from the local public authority. The Association shall have the right to refuse to approve any such plans, specifications, location of buildings, grading, or landscaping plans, which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to be constructed and the degree of harmony thereof with the Condominium as a whole.

Section 7. Pets. The following restrictions shall apply to pets:

(a) No more than two (2) pets may be maintained on a Unit or in a dwelling. The term "pet," for the purpose of this Section, shall not include fish and other similar aquatic-type life.

(b) All pets must be registered with the Association prior to being brought on to the Condominium Premise or on to a Unit. The Association may adopt a pet registration form.

(c) All animals must be cared for and restrained so as not to be obnoxious or offensive on account of; by way of illustration and not as limitation, excessive or persistent barking, odor, or unsanitary conditions.

(d) No animal may be kept or bred for any commercial purpose.

(e) No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be leashed and attended by some responsible person while on the general Common Elements. No pets may be "tied out" on the general Common Elements. While on the general Common Elements all animals shall be leashed or restrained on a leash not to exceed ten feet in length. When on the general Common Elements, all animals must be accompanied by the owner or other responsible adult.

(f) No savage or dangerous animal shall be kept in the Condominium.

(g) Any Co-owner who causes any animal to be brought or kept upon or within the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefor.

(h) Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any animal maintained by such Co-owner.

(i) The Association may charge all Co-owners maintaining animals a reasonable



(i) No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, all-terrain vehicles, snowmobiles, snowmobile trailers or commercial vehicles, other than automobiles or vehicles used primarily for general personal transportation purposes, may be parked or stored on the Condominium Premises except in the garage appurtenant to a Co-owner's Unit.

(j) Off-road and all-terrain vehicles (including without limitation motorcycles designed primarily for off-road use), snowmobiles, and other vehicles designed primarily for off-road use may not be used, maintained, or operated within the Condominium Project. However, such vehicles may be parked or stored within the Unit as long as they are kept within a garage or similar enclosure. Such vehicles may not be parked, stored or maintained on the Common Elements of the Project.

(k) It will be the responsibility of the Co-owner to assure that his or her garage is available for parking of the Co-owner's vehicle. The fact that garage is used for storage shall not entitle a Co-owner to park a vehicle on the General Common Elements or to appropriate unassigned parking spaces.

(l) Garage doors will be closed, except during entry or exit from the garage.

(m) Parking on any roads in the Condominium Project is not permitted without the prior written consent of the Association. Consent of the Association may be withheld in the sole discretion of its Board of Directors.

Section 9. Rules and Regulations. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the operation and the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association. Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective 30 days after mailing or delivery of such regulations and amendments to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all Co-owners.

Section 10. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit (including any dwelling) and any Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any improvements which are the responsibility of the Association under this Master Deed. The Association or its agents shall also have access to each dwelling, Unit and any Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another dwelling. It shall be the responsibility of each Co-owner to provide the Association means of access to his or her dwelling, Unit and any Common Elements appurtenant thereto during all periods of absence, and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his or her dwelling, Unit and any Common Elements appurtenant. The Association shall also have a right of access for to any Unit and dwelling for the purpose of assuring compliance with the Condominium Documents.



additional assessment to be collected in the manner provided in Article 2 of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium.

(j) 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.

(k) The Association shall have the right to adopt such additional reasonable rules and regulations with respect to animals as it may deem proper.

(l) Stray animals and wild animals shall not be fed or housed by Co-owners, nor shall Co-owners allow any condition to exist within their dwelling, on their Unit or the Common Elements, limited or general, appurtenant to their Units, which may attract stray or wild animals.

(m) In the event of any violation of this Section, the Board of Directors of the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted rules and regulations of the Association.

Section 8. Vehicles and Parking. The following restrictions shall apply to vehicles:

(a) Co-owners must park all of their vehicles in the garage. Every vehicle (including without limitation trailers, trucks, pickup trucks, boats, boat trailers, aircraft, commercial vehicles, campers, recreational vehicles, passenger vans) must be parked within the garage. The only vehicles which may be parked on a driveway are frequently used passenger cars, mini-vans, or other similar passenger vehicles.

(b) Any vehicles parked on a portions of the General Common Elements that have been specifically designated by the Association as parking areas must be moved not less than every 48 hours or they will be deemed abandoned and subject to removal by the Association at the expense of the vehicle's owner.

(c) Any unlicensed or non-operative vehicle parked within the Condominium Premises for more than 48 hours will also be deemed abandoned and subject to removal at the expense of the vehicle's owner.

(d) All vehicle access to roads outside of the Project shall be over the Project roads.

(e) No vehicle repair or non-emergency maintenance or similar repairs are allowed on the Common Elements or Units, except within the garages of the Units.

(f) Washing or polishing of vehicles may only be undertaken in the garage or on the driveway appurtenant to the Co-owner's Unit.

(g) No vehicles may be parked, stored or maintained on any lawn areas within the Condominium Premises, including the lawns within any Units.

(h) Any damage to the Condominium Premises or Project caused by violation of these vehicle restrictions are the responsibility of the Co-owner who owns the vehicle or the Co-owner of the Unit which the operator/owner the vehicle is visiting.



Section 11. Landscaping. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements without the prior written approval of the Association. Any landscaping installed by the Co-owner pursuant to this Section shall be maintained by the Co-owner and the Association shall have no responsibility for its maintenance. See Section 17(b) regarding the maintenance of landscaping.

Section 12. Requirements Regarding Dwellings and Improvements.

(a) The exterior of every dwelling and of every garage or accessory building must be primarily wood or stone. The installation of vinyl siding, Texture 1-11, or drivet on the exterior of any dwelling or other improvement is prohibited. The exterior of any dwelling or any improvement may not be painted or stained (or repainted or restained) without the prior written approval of the Association. Aluminum or metal windows may not be installed in any dwelling or improvement. Chimneys (whether for fires or for furnaces) must have flues which are entirely lined with a standard clay lining or with any other fire resistant material. Prefabricated chimneys (whether aluminum, metal, or other material) are prohibited for any purpose whatsoever, whether for fireplaces, furnaces, heaters, or stoves. The architectural design of each chimney in the Condominium must be different.

(b) Any of the components of any air conditioning or similar systems (including without limitation any compressors) that are installed outside of any dwelling must be screened in order that those components will not be visible from any other Units or from Bay Harbor Golf Course or from Little Traverse Bay or from any road and in order that any noise created by those components will be contained within that Unit. The Association Board of Directors will determine at any time and from time to time whether any particular screening is sufficient. Air conditioning units may not be installed within any window or attached to the wall of any dwelling or improvement.

(c) Dog kennels or runs and any other enclosed animal shelters must be an integral part of a dwelling and may not be constructed or maintained upon a Unit without the prior written approval of the Association Board of Directors, which the Board may withhold in its sole discretion. Any dog kennel and any other animal care facilities must at all times be maintained in a clean and sanitary condition.

(d) Above-ground swimming pools are prohibited. In-ground swimming pools and outdoor, above-ground jacuzzis, hot tubs, and similar facilities may not be constructed or maintained upon a Unit without the prior written approval of the Association Board of Directors, which Board may withhold in its sole discretion.

(e) Fences, walls, and hedges may not be constructed or maintained upon a Unit without the prior written approval of the Association Board of Directors, which Board may withhold in its sole discretion. The location of any fence, wall, or hedge must be satisfactory to the Association Board of Directors in its sole discretion. Chain link fences are prohibited.

(f) Outside radio or television aerials or antennae and satellite dishes or other reception or transmission devices may not be constructed or maintained upon a Unit without the prior written approval of the Association Board of Directors, which Board may withhold in its sole discretion.



(g) A basketball hoop and backboard unit may not be constructed or maintained upon a Unit without the prior written approval of the Association Board of Directors, which Board may withhold in its sole discretion. If a basketball hoop and backboard unit is permitted, the backboard must be translucent and the unit must be installed in the rear or side yard of the Unit and must be screened in order that the unit will not be visible from any other Units or from Bay Harbor Golf Course or from Little Traverse Bay or from any road.

(h) Mailboxes and street address designations may not be installed upon any Unit without the prior written approval of the Association Board of Directors. At any time and from time to time the Association Board of Directors may elect that all of the mailboxes in the Condominium will be clustered at a common location; and in this event all of the mailboxes in the Condominium will be installed according to plans and specifications determined by the Association Board of Directors and at a common location that is determined by the Board. The cost of installing these mailboxes will be paid by each Owner and the Association may levy an assessment against each Unit to pay for the cost of installing any mailboxes as hereinabove described.

(i) Tennis courts may not be constructed or maintained upon a Unit without the prior written approval of the Association Board of Directors, which Board may withhold in its sole discretion.

(j) Lawn ornaments, sculptures, statues, and signs may not be installed or maintained upon any Unit (including without limitation any signs stating that any Unit is for rent or for sale or any signs identifying any architect, builder, contractor, landscaper, or landscape architect) without the prior written approval of the Association Board of Directors, which Board may withhold in its sole discretion.

(k) Bug lights, "bug zappers", and any other bug elimination or repellent devices may not be installed or maintained upon any Unit; provided, however, that with the prior written approval of the Association Board of Directors (which Board may withhold in its sole discretion), these devices may be installed and maintained upon a Unit for a temporary period of time if there is a demonstrated need for that device for a special occasion.

(l) Ramps, inclines, and other similar structures to facilitate skate-boarding, roller skating, roller blading, or similar activities (as determined by the Association Board of Directors in its sole discretion) may not be installed or maintained upon any Unit.

Section 13. Non-Disturbance of Wetlands. Some of the land within the Condominium may be a wetland which is protected by federal, state or local law. Under the provisions of the Goemaere-Anderson Wetland Protection Act, Public Act No. 203 of 1979 and local ordinances, any disturbance of a wetland by depositing material in it, dredging or removing, material from it, or draining water from the wetland may be done only after a permit has been obtained from the Department of Natural Resources (or its administrative successor) and/or the Township of Resort and/or the City of Petoskey. The penalties specified in the Goemaere-Anderson Wetland Protection Act and local ordinances are substantial. In order to assure no inadvertent violations of the Goemaere-Anderson Wetland Protection Act and local ordinances occur, no Co-owner may disturb the wetlands without obtaining: (1) written authorization of the Association; (2) any necessary municipal permits; and (3) any necessary state permits. The Association may assess fines and penalties as provided for in these Bylaws for violation of this Section. If a Co-owner installs any landscaping or other improvements in the wetlands area pursuant to the

authorization required by this Section, he or she shall be solely responsible for its maintenance, repair and replacement.

Section 14. Tree Removal; Woodlands Preservation. No trees shall be removed, except for diseased or dead trees and trees needing to be removed to promote the growth of other trees or for safety reasons, unless approved by the Association. No such removal shall occur within a woodlands area which is regulated by the Township of Resort or other public agency without obtaining the proper permit from the Township of Resort or other public agency with jurisdiction over such matters prior to removal.

(a) Trees Over Three Inches In Diameter. In no event may any trees which measure more than three inches in diameter at breast height be removed from any Unit without the prior written approval of the Association and the West Bay Harbor Community Association.

(b) Replacement of Trees. If any tree that measures more than three inches in diameter at ground level is either intentionally or accidentally removed or destroyed, that tree must be replaced with a tree of the same size and type unless the Association in its sole discretion waives the replacement requirement in writing.

(c) Tree Protection. Each Co-owner must maintain and preserve all trees on the Unit owned by that Co-owner, including without limitation, protective "welling" for trees, if necessary.

(d) Tree Removal. As soon as reasonably possible, each Co-owner will remove from the Unit owned by the Co-owner any dead or seriously diseased trees located upon the Unit.

(e) Development Agreement. No removal, planting, or trimming of trees shall occur which, in any manner, violates the provisions set forth on pages 2 and 3 of the Development Agreement between Quarry Dunes, L.L.C., a/k/a Quarry Dunes Development Company, L.L.C., and Golf Sites, L.L.C. dated January 2, 1999, a copy of which has been provided to, or will be provided to, each Quarry Dunes Condominium purchaser as a part of the Purchaser Information Booklet.

Section 15. No Build Areas. The areas within the Project which have not been shown on the Condominium Subdivision Plan as unimproved areas must be maintained as open spaces in a manner which is consistent with the overall development of the West Bay Harbor Community. No structures or any other improvements may be erected or maintained in these areas. The No Build areas must remain in a natural condition. This provision of the Bylaws may not be amended unless the prior written consent of the West Bay Community Association and Bay Harbor Company, L.L.C. has been obtained. However, in the event Bay Harbor Company, L.L.C. no longer owns any land within a five and one-half mile radius of the Project, its consent need not be obtained. Both Bay Harbor Company, L.L.C. and the West Bay Community Association may enforce the provisions of this section along with the Co-owners and the Association.

Section 16. Storage. Fixtures, furnishings, equipment and other property may not be stored outside of any dwelling or on the Common Elements. However, this provision shall not be interpreted to preclude patio furniture, barbecues and similar equipment being maintained on the Common Elements during seasons generally appropriate to their use.

Section 17. Maintenance. Each Co-owner, at the sole cost and expense of that Co-



owner, will maintain his or her Unit (including without limitation any dwelling improvement, garden or landscaping within the Unit) in an excellent, attractive, neat and clean condition in compliance with the terms and conditions of the Condominium Documents and the Declaration. This is an obligation of each Co-owner regardless of whether a dwelling or any improvement has been constructed on the Unit. The following maintenance requirements shall also apply:

(a) Gardens. Vegetable gardens are not permitted within the Condominium Project.

(b) Landscaping. The Board of Directors may, from time to time, develop and enforce a minimum landscaping plan that each Unit shall, at the expense of the Co-owner of that Unit, install and maintain. The Co-owner of each Unit will maintain the landscaping within their Unit in a good and slightly condition consistent with the approved landscaping plan for the Unit, or, if there is no approved landscaping plan for the Unit, consistent with the minimum landscaping plan developed by the Board of Directors. Landscaping work may only be performed by the occupants of a Unit or by landscaping company or service approved in advance by the Association. Mowing, leaf-gathering, and other lawn maintenance activities which are generators of substantial noise shall not be permitted and may not be performed on Saturdays, Sundays or legal holidays. These activities may be conducted on other days only between 10:00 a.m. and 6:00 p.m.

ARTICLE 7 MORTGAGES

Section 1. Notice to Association. Any Co-owner who mortgages their Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units". The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within 60 days.

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

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

Section 4. Attendance at Meetings. Mortgagees are not required to appear at any meeting of Co-owners, except that their approval shall be solicited through written ballots when mortgagees are entitled to vote on an issue as provided for in the Master Deed. Any mortgagee ballots not returned within 90 days of mailing shall be counted as approval for the change.

ARTICLE 8 VOTING

Section 1. Vote. Except as limited in these Bylaws, each Co-owner of a Unit shall be entitled to one vote for each Condominium Unit owned.



Section 2. Eligibility to Vote. No Co-owner shall be entitled to vote at any meeting of the Association until they have presented evidence of ownership of a Unit in the Condominium Project to the Association. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article 8 below or by a proxy given by such individual representative.

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

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

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

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than 50% of Co-owners entitled to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association.

ARTICLE 9 MEETINGS

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents or the laws of the State of Michigan. The Board of Directors may determine, in its discretion, whether members will be allowed to participate in and vote at a meeting by remote communication and may promulgate reasonable rules and regulations controlling the method and procedure for remote participation.

Section 2. Annual Meeting. Annual meetings of the members of the Association shall be held at a date, time and place set each year by the Board of Directors. At such meetings there shall an election of Directors in accordance with the requirements of Article 10 of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.



Section 3. Special Meeting. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by 1/3 of the Co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least 10 days but not more than 60 days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article 8, Section 3 of these Bylaws shall be deemed notice served. Notice of a meeting can also be sent to a Co-owner by electronic transmission provided that the Co-owner has consented to receiving notices by electronic transmission and provided that the notice is sent in the manner authorized by the Co-owner. If a member is going to be permitted to participate in and vote at a meeting by remote communication, the notice of the meeting shall include a description of the means of remote communication by which a member may participate. Any member may, by written waiver of notice signed by such member, waive such notice and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 5. Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section 6. Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspectors of election (at annual meeting or special meeting held for such purpose); (g) election of Directors; (h) unfinished business; and (i) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary and Treasurer.

Section 7. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot or consent of the members. Ballots, electronic responses or consent forms shall be solicited in the same manner as provided in Section 5 for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specified a choice, the vote shall be constituted by receipt, within the time period specified in the solicitation of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 8. Consent of Absentees. The transaction of any Association business at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 9. Minutes; Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE 10 BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors shall be comprised of five members all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association. Directors shall serve without compensation.

Section 2. Designation and Election of Directors. Each Director elected will serve for a one year term; all five Director positions shall be up for election at each annual meeting. At each meeting all nominees shall stand for election as a group, and each Co-owner shall have the right to vote for up to the number of directorships up for election at that meeting. Voting rights are not cumulative, meaning a Co-owner may not place all of their votes for one nominee. The Directors shall hold office until their successors have been elected and hold their first meeting.

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

Section 4. Other Duties. The Board of Directors shall also have any other powers or duties specifically imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Association. The Board of Directors shall be responsible specifically for the following:

- (a) To manage and administer the affairs of and to maintain the Condominium Project and the General Common Elements thereof;
- (b) To levy and collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association;
- (c) To carry insurance and collect and allocate the proceeds thereof;
- (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms, corporations or other agents to



assist in the management, operation, maintenance and administration of the Condominium Project;

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

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of seventy five (75%) of all of the members of the Association in number and in value;

(h) To make rules and regulations in accordance with Article 6 of these Bylaws;

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

(j) To enforce the provisions of the Condominium Documents.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the members of the Association.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than 50% of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal 35% requirement set forth in Article 8, Section 4 of these Bylaws. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

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



Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by mail, telephone or telegraph, at least 10 days prior to the date named for such meeting.

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

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

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum present shall control, and the majority of those present may adjourn the meeting to a subsequent time upon 24 hours prior written notice delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring with the minutes thereof, shall constitute the presence of such Director for purposes of determining a quorum.

Section 13. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be expenses of administration.

ARTICLE 11 OFFICERS

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

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

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

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

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

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

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

Section 4. Duties. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

**ARTICLE 12
FINANCE**

Section 1. Records. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Condominium Documents for the Condominium project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project.

The Association shall keep detailed books of account showing all expenditures and receipts of administration and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. The books, records, and contracts concerning the administration and operation of the Condominium shall be available for examination by any of the Co-owners and their mortgagees at convenient times. The Association shall have its books, records and financial statements audited or reviewed by a certified public accountant on an annual basis as required by Section 57 of the Act, except that the Association may opt out of this requirement of an annual audit or review by a certified public accountant on an annual basis by an affirmative vote of a majority of its members.



Section 2. Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially set by the Directors. The dates of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 3. Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in such insured bank accounts, certificates of deposit or interest-bearing obligations of the United States Government as the Board deems appropriate.

ARTICLE 13 INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every Director and Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which they may be a party or in which they may become involved by reason of their being or having been a Director or officer of the Association, whether or not they are a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of their duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the Director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled. At least 10 days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof. The Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and Directors of the Association in such amounts as it shall deem appropriate.

ARTICLE 14 REMEDIES FOR DEFAULT

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

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

Section 2. Recovery of Costs. In any matter or proceeding arising because of an alleged default by an Co-owner (including, but not limited to, the non-payment of an assessment or the violation of a provision of the Condominium Documents), the Association, if successful, shall be entitled to recover any and all costs incurred as a result of the matter or proceeding. In no event shall any Co-owner be entitled to recover such attorney's fees.

Section 3. Removal and Abatement. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right,



in addition to the rights set forth above, to enter upon the Common Elements or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

Section 4. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations in accordance with Article 15 of these Bylaws.

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

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

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

ARTICLE 15 ASSESSMENT OF FINES

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

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

(a) Notice. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-owner at the address shown in the notice required to be filed with the Association pursuant to Article 8, Section 3 of these Bylaws.



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

(c) Default. Failure to respond to the notice of violation constitutes a default.

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

Section 3. Amounts. Upon violation of any of the provisions of the Condominium Documents and after default of the offending Co-owner or upon the decision of the Board as recited above, the following fines, plus any repair or out-of-pocket expenses or fees incurred, may be levied:

(a) First Violation. \$100.00.

(b) Each Subsequent Violation. Up to \$400.00.

The Board of Directors may, from time to time, also adopt a list of fines in specific amounts for specific violations of a particular provision of the Condominium Documents. This list of specific fines shall be included in the rules and regulations and shall be made available to Co-owners and their guests and renters.

Section 4. Continuing Violations. In the event that a violation continues beyond 14 days from the date of the offending Co-owner's hearing at which the Board determines that a violation has occurred, the continuing violation will be treated as a separate and subsequent violation for each 14 day period that the violation continues, and new and increased fines may be levied on each occasion of a subsequent violation as determined by the Board without the necessity of a further hearing or hearings thereon.

Section 5. Collection. The fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be due and payable either by separate invoice or together with the next periodic assessment. Failure to pay the fine will subject the Co-owner to all remedies and liabilities set forth in the Condominium Documents, including, without limitation, those described in Article 2 and Article 14 of these Bylaws.

Failure or delay on the part of the Association in the assessment of any fine does not waive any right the Association has hereunder. Failure to impose a monetary fine for a violation does not limit the Association's right to impose a subsequent, higher fine.

ARTICLE 16 SEVERABILITY

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

