

EXHIBIT A
CONDOMINIUM BY-LAWS
MARKUS GLEN CONDOMINIUM
ARTICLE I
ASSOCIATION OF CO-OWNERS

Section 1. Markus Glen Condominium, a Condominium Project located in Township of Gun Plain, Allegan County, State of Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association," organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Master Deed, these By-laws, the Articles of Incorporation, Association By-laws, and duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

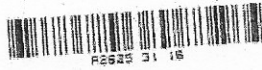
Section 2. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

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

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

(c) Except as limited in these By-laws, each unit shall be entitled to one vote for each Unit owned when voting by number and one vote, the value of which shall equal the total of the percentages of value allocated to the Units owned by such Co-owner as set forth in Article VI of the Master Deed, when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number.

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



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

(f) There shall be an annual meeting of the members of the Association. At least ten (10) days written notice of the time, place and subject matter of the meeting shall be given to each Co-owner by mailing the same to each individual representative designated by the respective Co-owners at the address indicated in the notice designating such individual representative. Other meetings may be provided for in the Bylaws of the Association.

(g) The presence in person or by proxy of thirty (30%) percent in value of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required herein to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present or by proxy shall be counted in determining the presence of a quorum with respect the question upon which the vote is cast.

(h) Votes may be cast in person or by proxy or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written 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.

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

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

Section 3. The Association shall keep detailed books of account, in accordance with the Act, showing all expenditures and receipts of administration



which shall specify the maintenance and repair expenses of the Common Elements and any other expenses of the Common Elements and other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts shall be open for inspection by the Co-owners during reasonable working hours, and income, expense and position statements, the contents of which shall be defined by the Association of Co-owners, shall be prepared at least semi-annually by qualified accountant(s) and distributed to each Co-owners. The books shall be audited by an independent accountant at least once a year. Such audit need not be certified. The cost of such professional accounting assistance shall be an expense of administration. The Association shall keep current copies of the Master Deed, Bylaws, and all other Condominium Documents available for inspection by Co-owners, prospective mortgagees and their representatives during business hours at the address of the Condominium Association's resident Agent. Any holder of a first mortgage lien on any Unit in the Development shall be entitled to receive a copy of the annual financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefore. The costs of the audit shall be an expense of administration. The financial reports and statements provided for in this section are not required to be certified.

Section 4. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association except for the First Board of Directors, and any successors thereto elected by the developer prior to the First Annual Meeting of the Members. The number, term of office, manner of election, removal and replacement, meetings, quorum and voting requirements, and other duties or provisions of or relating to directors, not inconsistent with the following shall be provided by the Association Bylaws.

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

- (1) Management and administration of the affairs of and maintenance of the Condominium Project and the Common Elements thereof.
- (2) To collect assessments from the members of the Association and to use the proceeds thereof for the purpose of the Association.
- (3) To carry insurance and collect and allocate the proceeds thereof.



- (4) To rebuild improvements after casualty.
 - (5) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance, administration and security of the Condominium Project.
 - (6) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage, or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association, including (but without limitation) the lease or purchase of any Unit in the Condominium for use by resident manager.
 - (7) To borrow money and issue evidence of indebtedness in furtherance of any and all of the purposes of the business of the Association, including but not limited to borrowing for equipment to maintain the premises, 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 more than sixty (60%) percent of all of the members of the Association in value.
 - (8) To make rules and regulations in accordance with Article VI, Section 2 of these Bylaws.
 - (9) To establish such committees, as it deems necessary convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committee any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.
 - (10) To make rules and regulation and/or to enter into greements with lenders, the purposes of which are to obtain mortgage financing for Unit Co-owners.
 - (11) To enforce the provisions of the Condominium Documents.
 - (12) To deliver at least twice a year semi-annual financial statements to the Co-owners.
- (b) The Board of Directors may, at all times, employ for the Association one or more professional management agents (which may include the Developer or any person or entity related thereto provided that pursuant to Section 55 of the "Act" it is voidable by the Association on the transitional control date or within ninety (90) days thereafter and on thirty (30) days notice at any time thereafter for cause. Also, to the extent any such management contract



extends beyond one year after the transitional control date, the excess period under the contract may be voided by the Association by written notice at least thirty (30) days before the expiration of the one year) 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 Section 4 (a) of this Article I, 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. Nothing herein shall be deemed to prevent a Co-owner from hiring the Management Agent or any third party to manage his Unit.

(c) All of the actions (including, without limitation, the adoption of the Bylaws and any Rules and Regulation for the Corporation and any undertakings or contracts entered into with others on behalf of the Corporation) of the First Board of Directors of the Association named in its Articles of Incorporation or any successors thereto elected by the Developer before the First Annual Meeting of Members shall be binding upon the Association in the same manner as though such actions had been authorized by the Board of Directors duly elected by the members of the Association at the first or any subsequent annual meeting of members so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium Documents.

(d) Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful and wanton misfeasance or malfeasance or gross negligence in the performance of his duties; provided, however, 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 rights of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. Before any payment is made under this subparagraph (d), the Board of Directors shall give each co-owner ten (10) days prior written notice. Any expenses incurred by the Association under this subparagraph (d) shall be expenses of administration.

Section 5. The Association Bylaws shall provide the designation, number, term of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other



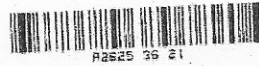
provisions pertinent to purposes of the Condominium Documents and not inconsistent therewith. Officers may be compensated but only upon the affirmative vote of more than sixty (60%) percent of all Co-owners in number and in value.

Section 6. The First Annual Meeting of the Members of the Association shall be convened not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of twenty-five (25%) percent of the Units that may be created. The Association shall comply with Section 52 of the "Act" which provides, in part, as follows:

(a) An advisory committee of non-Developer Co-owners shall be established either 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 1/3 of the Units created, or one year after the initial conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the project, whichever occurs first. The advisory committee shall meet with the Condominium Project Board of Directors for the purpose of facilitating communication and aiding the transition of control to the Association of Co-owners. The advisory committee shall cease to exist when a majority of the Board of Directors of the Association of Co-owners is elected by the non-Developer Co-owners.

(b) Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 25% of the Units created; at least one director and not less than 25% of the Board of Directors of the Association of Co-owners shall be elected by non-Developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 50% of the Units that may be created not less than 33 1/3% of the Board of Directors shall be elected by non-Developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 75% of the Units that may be created, and before conveyance of 90% of such Units, the non-Developer Co-owners shall elect all directors on the board, except that the Developer shall have the right to designate at least one director as long as the Developer owns and offers for sale at least 10% of the Units in the project.

(c) Notwithstanding the formula provided in subsection (b), 54 months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the project, if title to not less than 75% of the Units created has not been conveyed, the non-Developer Co-owners have the right to elect, a number of members of the Board of Directors of the Association of Co-owners equal to the percentage of Units they hold, and the Developer has the right to elect, a number of members of the board equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (b).



Application of this subsection does not require a change in the size of the board as determined in the Condominium Documents.

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

(e) A consolidating master deed and plans showing the condominium as built shall be recorded not later than 1 year after completion of construction in order to consolidate all phases of amendments of a condominium project. A copy of the recorded consolidating master deed shall be provided to the Association of Co-owners.

(f) For purposes of calculating the timing of events described in this section, conveyance by a developer to a residential builder, even though no an affiliate of the developer, is not considered a sale to a nondeveloper Co-owner until such time as the residential builder conveys that unit with a completed residence on it or until it contains a completed residence which is occupied.

The date, time, and place of such First Annual Meeting shall be set by the Board of Directors and at least fifteen (15) days written notice shall be given to each Co-owner. Thereafter, an annual meeting shall be held each year on such date as specified in the Association Bylaws.

ARTICLE II ASSESSMENTS

Section 1. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration. Taxes and special assessments which become a lien against the Condominium Project in the year of establishment shall be considered expenses of administration.

Section 2. All expenditures affecting the administration of the Project 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 shall be expenses of administration and all sums received



as the proceeds of or pursuant to a policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the common elements or the administration of the Condominium Project, shall constitute receipts affecting the administration of the Condominium Project.

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

(a) The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium 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 must be established in the budget and must be funded by regular monthly payments as set forth in Section 5 below rather than by special assessments. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure delivery of a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessment. Should the Board of Directors, at any time determine, in the sole discretion of the Board of Directors that the assessments levied are or may prove to be insufficient: (1) to pay the costs of operation and management of the Condominium, (2) to provide for the maintenance, repair or replacement of existing common elements, (3) to provide additions to the common elements not exceeding two thousand dollars (\$2,000.00) annually, or (4) to provide for emergencies, the Board shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary.

(b) Special assessments, in addition to those required in (a) above, may be made by the Board from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for capital improvements for additions of a cost exceeding two thousand dollars (\$2,000.00) per year, (2) assessment to purchase a Unit upon foreclosure of the lien for assessments described in Section 8 hereof, (3) assessments to purchase or lease a Unit for use as a resident manager's Unit, or (4) assessment for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 3(a) above which shall be levied in the sole discretion of the Board) shall not be levied without the prior approval of more than sixty (60%) percent of all Co-owners in value and in number.

(c) Notwithstanding anything herein to the contrary, in the event that any unusual expenses are incurred by the Association which benefit less than all

of the Units, or any expenses are incurred by the Association as a result of the conduct of less than all those entitled to occupy the Units in the Project or by their lessees, licensees or invitees, then such expenses shall be specially assessed against the Unit involved, or if more than one Unit is involved, against all such Units, pro rata as to their percentages of value so that the total of such expenses equal the total of such assessments.

(d) All assessments, whether general or special, shall be due and payable at such times as the Board shall determine, commencing with acceptance of a deed to a Unit or with acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Assessments in default shall bear interest at the greater of 7% or the highest legal annual interest rate permitted by the laws of the State of Michigan until paid in full. Each Co-owner (whether one or more persons or entities) shall be, and remain, personally liable (jointly and severally if the Co-owner consists of more than one person or entity) for the payment of all assessments, pertinent to his Unit, which may be levied while such Co-owner is the owner thereof.

Section 4. No Co-owner shall be exempt from any assessment levied pursuant to this Article II by reason of his non use or waiver of use of any of the Common Elements or by the abandonment of his Unit.

Section 5. The Association shall maintain a reserve fund for major repairs and replacements of Common Elements as required by Section 105 of the "Act". The reserve fund shall be at least ten (10%) percent of the Association's annual budget on a non cumulative basis and may be increased by the Board of Directors. Funds contained in the reserve fund shall be used only for major repairs and replacement of Common Elements. There shall be set aside by the Association by the time of the transitional control date, as defined in the "Act", an amount equal to at least ten (10%) percent of the assessments levied by the Association prior to the transitional control date. The minimum standard required by this Section may prove to be inadequate for a particular project. The Association of Co-owners should carefully analyze their Project to determine if a greater amount should be set aside or if additional reserve funds should be established for other purposes.

Section 6. Pursuant to Section 131 of the "Act," special assessments by governmental authorities and real property taxes are to be assessed against the Units identified as such in the Condominium Subdivision Plan and not on the entire Project or any part thereof, except for the year in which the Project was established subsequent to the tax day for that year. Real property taxes and special assessments which become a lien against the Project premises, or any part thereof, in that year shall be expenses of administration be assessed against, apportioned among and paid by the Co-owners in the manner provided



in this Article II.

Section 7. The following provisions shall control the circumstances under which mechanic's (construction) lien may be applied against the Project or any Unit thereof:

(a) Except as provided below, a mechanic's (construction) lien for work performed on a Unit or upon a limited common element may attach only to the Unit upon which the work was performed or to which the limited common element is appurtenant.

(b) A mechanic's (construction) lien for work authorized by the Developer, residential builder, or principal contractor and performed upon the common elements may attach only to Condominium Units owned by the Developer, residential builder, or principal contractor at the time of recording of the statement of account and lien.

(c) A mechanic's (construction) lien for work authorized by the Association may attach to each Unit only to the proportional extent that the member owning the Unit is required to contribute to the expenses of administration as provide by the Condominium Documents.

(d) A mechanic's (construction) lien may not arise or attach to a Unit for work performed on the common elements not contracted for by the Developer, residential builder, or principal contractor or by the Association of Co-owners.

In the event that a mechanic's (construction) lien attached to a Unit or a common element with respect to work or materials furnished and contracted for by the Association, the Association shall either cause the mechanic's (construction) lien to be removed by bonding, payment, compromise or settlement, or commence a judicial action to contest such lien. Any costs incurred by the Association in connection therewith shall be expenses of Administration.

Section 8. All sums assessed by the Association under this Article II shall be subject to, and the Association shall have all rights conferred by, Sections 108 and 111 of the "Act" which provide as follows:

"Sec. 108 (1) Sums assessed to a Co-owner by the Association of Co-owners which are unpaid constitute a lien upon the Unit or Units in the project owned by the Co-owner at the time of the assessment before other liens except tax liens on the condominium Unit in favor of any state or federal taxing authority and sums unpaid on a first mortgage of record except that past due assessments which are evidenced by a notice of lien, recorded as set forth in subsection (3), have priority over a first mortgage recorded subsequent to the recording of the notice of lien. The lien upon each condominium Unit owned by the Co-owner



shall be in the amount assessed against the condominium 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 of Co-owners in the name of the Condominium Project on behalf of the other Co-owners.

(2) A foreclosure shall be in the same manner as a foreclosure under the laws relating to foreclosure of real estate mortgages by advertisement or judicial action.

(3) A foreclosure proceeding may not be commenced without recordation and service of notice of lien in accordance with the following:

(a) Notice of liens shall set forth:

(i) The legal description of condominium Unit or condominium Units to which the lien attaches.

(ii) The name of the Co-owner of record thereof

(iii) The amounts due the Association of Co-owners at the date of the notice, exclusive of interest, costs, attorney fees and future assessments.

(b) The notice of lien shall be in recordable form, executed by an authorized representative of the Association of Co-owners and may contain other information as the Association of Co-owners may deem appropriate.

(c) The notice of lien shall be recorded in the office of register of deeds in the county in which the Condominium Project is located and shall be served upon the delinquent Co-owner by first class mail, postage prepaid, addressed to the last known address of the Co-owner at least 10 days in advance of commencement of the foreclosure proceeding.

(4) The Association of Co-owners, acting on behalf of all Co-owners, unless prohibited by the master deed or bylaws, may bid in at the foreclosure sale, and acquire, hold, lease, mortgage, or convey the condominium Unit.

(5) An action to recover money judgments for unpaid assessments may be maintained without foreclosing or waiving the lien.

(6) An action for money damages and foreclosure may be combined in 1 (one) action.

(7) A receiver may be appointed in an action for foreclosure of



the assessment lien and may be empowered to take possession of the condominium Unit, if not occupied by the Co-owner and to lease the condominium Unit and collect and apply the rental therefrom."

(8) The Co-owner of a condominium unit subject to foreclosure under this section, and any purchaser, grantee, successor, or assignee of the Co-owner's interest in the condominium unit, is liable for assessments by the Association of Co-owners chargeable to the condominium unit that became due before expiration of the period of redemption together with interest, advances made by the Association of Co-owners for taxes or other liens to protect its lien, costs, and attorney fees incurred in their collection.

(9) The mortgagee of a first mortgage of record of a condominium unit shall give notice to the Association of Co-owners of the commencement of foreclosure of the first mortgage by advertisement by serving a copy of the published notice of foreclosure required by statute upon the Association of Co-owners by certified mail, return receipt requested, addressed to the resident agent of the Association of Co-owners at the agent's address as shown on the records of the Michigan corporation and securities bureau, or to the address the Association provided to the mortgagee, if any, in those cases where the address is not registered, within 10 days after the first publication of the notice. The mortgagee of a first mortgage of record of a condominium unit shall give notice to the Association of Co-owners of intent to commence foreclosure of the first mortgage by judicial action by serving a notice setting forth the names of the mortgagors, the mortgagee, and the foreclosing assignee of a recorded assignment of the mortgage, if any; the date of the mortgage and the date the mortgage was recorded; the amount claimed to be due on the mortgage on the date of the notice; and a description of the mortgaged premises that substantially conforms with the description contained in the mortgage upon the Association of Co-owners by certified mail, return receipt requested, addressed to the resident agent of the Association of Co-owners at the agent's address as shown on the records of the Michigan corporation and securities bureau, or to the address the Association provides to the mortgagee, if any, in those cases where the address is not registered, not less than 10 days before commencement of the judicial action. Failure of the mortgagee to provide notice as required by this section shall only provide the Association with legal recourse and will not, in any event, invalidate any foreclosure proceeding between a mortgagee and mortgagor.

"Sec. 111 (1) Upon the sale or conveyance of a condominium Unit, all unpaid assessments against a condominium Unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except the following:

(a) Amounts due the state, or any subdivision thereof, or any municipality for taxes and special assessments due and unpaid on the Condominium Unit.



(b) Payments due under a first mortgage having priority thereto.

(2) A purchaser or grantee is entitled to a written statement from the Association of Co-owners setting forth the amount of unpaid assessments, interest, late charges, fines, costs and attorney fees against the seller or grantor and the purchaser or grantee is not liable for, nor is the condominium Unit conveyed or granted subject to a lien for any unpaid assessments, interest, late charges, fines, costs, and attorney fees against the seller or grantor in excess of the amount set forth in the written statement. Unless the purchaser or grantee, requests a written statement from the Association of Co-owners as provided in this act, at least 5 days before sale, the purchaser or grantee shall be liable for any unpaid assessments against the condominium Unit together with interests, costs, and attorney fees incurred in the collection thereof."

Any expenses incurred by the Association in collecting unpaid assessments, including interest, costs and attorney's fees and advances for taxes or other liens paid by the Association to protect the Association's lien, shall be chargeable to the Co-owner in default, and shall be secured by the lien on his Unit.

The Association may also discontinue the furnishing of any services to a Co-owner in default upon seven (7) days prior written notice to such Co-owner of its intent to do so. A Co-owner in default shall not be entitled to a vote at any meeting of the Association so long as such default continues.

Section 9. The Developer shall be deemed to be a Co-owner with respect to any units owned by the Developer after the date of the recording of the Master Deed and shall be responsible for payment or assessments in accordance with this Article, except that prior to the First Annual Meeting of the Condominium Association and/or prior to the obtaining of a certificate of occupancy on the Unit, Developer shall not be required to pay full Association assessment. Instead, the Developer must contribute only its proportionate share of the Association's actual expenses.

Section 10. Section 58 of the "Act" provides that if a mortgagee of a first mortgage of record or other purchaser obtains title to the Condominium Unit as a result of foreclosure of the first mortgage, that mortgagee or purchase and his or her successor and assigns are not liable for assessments by the administering body chargeable to that Unit that became due prior to the acquisition of title to the Unit by that mortgagee or purchaser and his or her successors and assigns. The unpaid assessments are deemed to be common expenses collectible from all Co-owners including such person, its successors and assigns.



ARTICLE III RESOLUTION OF DISPUTES

Section 1. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to such arbitration. At the exclusive option of a purchaser, Co-owner, or person occupying a restricted Unit under section 104b of the "Act," a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim involves an amount less than \$2,500.00, and arises out of or relates to a purchase agreement, condominium Unit, or project.

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

Section 2. No Co-owners or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances; provided, however, that election by the parties involved to submit any dispute, claim or grievance to arbitration shall preclude the parties from litigating the dispute, claim or grievance in the courts.

ARTICLE IV REMEDIES FOR DEFAULT

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

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

(b) In a proceeding arising because of an alleged default by any Co-owner, the Association or the Co-owner, if successful, recover the costs of



the proceeding and such reasonable attorney fees (not limited to statutory fees) as may be determined by the Court, to the extent the condominium documents expressly so provide.

(c) The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agent the right, in addition to the rights set forth above, to enter into any unit, including Limited Common Elements appurtenant thereto, pursuant to a court order, 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.

(d) The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless Rules and Regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Article II, Section 8, of these By-laws. Thereafter, fines may be assessed only upon notice to the offending Co-owner(s) as prescribed in said Article II, Section 8, and an opportunity for such Co-owner(s) to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these By-laws. The amount of such fine shall be established by the Association.

Section 2. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any Co-owner to enforce such right, provision, covenant or condition in the future.

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

Section 4. A Co-owner may maintain an action against the Association and its officers and directors to compel these persons to enforce the terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any



combination thereof for non-compliance with the terms and provisions of the Condominium Documents.

ARTICLE V INSURANCE

Section 1. The Association shall carry liability insurance and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium. The Association, at the election of the Board, may carry other insurance, including cross coverage for damages done by one Co-owner to another.

Section 2. Insurance carried by The Association pursuant to Section 1 of this Article IV shall be carried and administered in accordance with the following provisions.

(a) All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interest may appear, and provisions shall be made for the issuance of certificates of mortgagees endorsements to the mortgagees of Co-owners. Each Co-owner may obtain insurance coverage at his own expense upon his Unit. It shall be each Co-owner's responsibility to obtain insurance coverage for his personal property located within his Unit or elsewhere on the Project and for his personal liability for occurrences within his Unit or upon Limited Common Elements appurtenant to his Unit, and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association and all Co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

(b) All premiums upon insurance purchased by the Association pursuant to these By-laws shall be expenses of administration.

(c) 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 interest may appear; provided, however, whenever repair or reconstruction of the Project shall be required as provided in Article VI of these By-laws, 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 of the Project.

Section 3. Each Co-owner, by ownership of a Unit in the Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's



compensation insurance, if applicable, pertinent to the Project, his Unit and the Common Elements appurtenant thereto with such insurer as may, from time to time, provide such insurance of the Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefore, to collect the proceeds and distribute the same to the Association, the Co-owner and respective mortgagees, as their interest 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 Project as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE VI RECONSTRUCTION AND EMINENT DOMAIN

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

(a) If the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any unit in the Project is tenantable, unless it is determined that the Project shall be terminated. The Co-owner shall be responsible for repair or replacement of any improvements in a Unit.

(b) If the Project is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt unless seventy-five (75%) percent or more of the Co-owners in value and in number agree to reconstruct by vote or in writing within ninety (90) days after the destruction.

Section 2. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the 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. If the damage is only to a part of a Unit, which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of a Co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

Section 4. Each Co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of his Unit, including, but not limited to all improvements (but not any Common Elements therein). In the event of substantial damage to or destruction of any Unit or any part of the Common



Elements, the Association promptly shall so notify each holder of a first mortgage lien on any of the Units in the Project.

Section 5. The Association shall be responsible for the reconstruction, repair and maintenance of the Common Elements and any incidental damage to a Unit caused by such Common Elements or the reconstruction, repair or maintenance thereof. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, 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 costs of repair or reconstruction. The Association shall maintain a reserve fund which, at a minimum., shall be equal to ten (10%) percent of the Association's current annual budget on a non-cumulative basis. The funds contained in the reserve fund shall only be used for major repairs and replacement of Common Elements. The minimum standard required by this Section may prove to be inadequate for a particular project. The Association of Co-owners should carefully analyze their Condominium Project to determine if a greater amount should be set aside, or if additional funds should be established for other purposes. On the Transitional Control Date as defined in the "Act," the reserve account shall be fully funded and Developer shall be liable for any deficiency in the same as of that date.

Section 6. In the event of any taking by eminent domain, the provisions of Section 133 of the "Act" shall be controlling.

Section 7. The Association shall give any person or institution holding a first mortgage written notice, at such address as it may direct, from time to time, of any loss to or taking of the Common Elements of the Project if the loss or taking exceeds \$10,000 in amount.

Section 8. Nothing contained the Condominium Documents shall be construed to give a Unit owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit owners of insurance proceeds or condemnation awards for losses to or taking of Condominium Units and /or Common Elements.



ARTICLE VII RESTRICTIONS

Section 1. No dwelling unit in the Project shall be used for other than residence purposes and the Common Elements shall be used only for purposes consistent with the use of residences.

Section 2. Residential structures shall have a minimum of 1600 square feet of living space on the main floor.

Section 3. 30% of the exterior of the residential structure facing the roadway shall be of brick and/or stone.

Section 4. A Co-owner may lease his dwelling unit for the same purposes set forth in Section 1 of this Article VII, provided that provisions of this Article relating to leasing are followed.

Section 5. No improper, unlawful or offensive activity shall be carried on in any dwelling unit or upon the Common Elements, limited or General, nor shall any thing be done which may be or become an annoyance or nuisance to the Co-owners of the Project, nor shall any unreasonably noisy activity be carried on in any Unit or on the Common Elements.

Section 6. No portion of the Project shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept, except in sanitary containers properly concealed from public view. Each Co-owner shall be responsible for the removal of trash from said premises and maintenance of the lawn on said premises. In the event it is necessary to enter into the Unit for the removal of trash thereon or maintenance of the lawn, this shall be charged and collected as set forth in Article II of the Bylaws.

Section 7. Lawns must be seeded and sodded within one year from start of construction on a Unit. Underground sprinkling systems are encouraged for all lawn area. The lawn height must be maintained at less than 5 inches in height and in the event of failure to do so, this shall be considered a violation of the rules of the Association and may be corrected by the Association under their regulations.

Section 8. No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows or other similar dangerous weapons, projectiles or devices anywhere on or about the Project premises.

Section 9. No advertising shall be displayed which is visible from the exterior of a dwelling unit or on the Common Elements, including but not limited to "For Rent" or "For Sale" signs, nor shall any advertising sticker, sign, light or



any other device of any nature whatever be attached to the glass surface of any door or window of any dwelling unit.

Section 10. Each Co-owner shall maintain his dwelling unit and any limited Common Elements appurtenant thereto, in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association, in which case there shall be no such responsibility beyond any deductible applicable. Any costs or damages to the Association may be assessed to and collected from the Co-owner in the manner provided in Article II hereof.

Section 11. Owners and occupants of dwelling units shall exercise extreme care to minimize noises and in the use of musical instruments, radios, television sets and amplifiers, so as not to disturb the other persons occupying dwelling units.

Section 12. Garages may be attached or detached from the residence in a unit and shall not exceed 24 feet by 40 feet and shall not exceed 17 feet from the ground level to peak unless approved by the Board of Directors. Garage doors shall be kept closed at all times except when necessary for ingress or egress into garages and during times of repair or work in garages.

Section 13. No automobiles may be stored on the Condominium Project unless same are licensed and no major repairs will be made to any automobiles on the Condominium Project.

Section 14. No vehicle shall be left parked or unattended in the roadway or its easement within the condominium project.

Section 15. Outside storage of any recreational vehicle or trailer, of any kind, is not permitted.

Section 16. Reasonable regulations consistent with the "Act," the Master Deed and these By-laws, concerning the use of the Common Elements may be made and amended from time to time by any Board, including the First Board of Directors (or its successors elected by the Developer) prior to the first annual meeting of the entire Association held as provided in Article I of these Bylaws. All copies of such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Co-owners in number and in value.



Section 17. Developer's Review Committee.

(a) Developer's Review Committee Composition

1. The Committee shall initially consist of Joseph P. Langkamp and George S. Dunn. Actions taken by either of the two members of the Committee shall constitute action of the entire Committee. At such time as residences have been constructed on at least ninety percent (90%) of the Units within the Project, the Committee shall consist of three (3) persons, who shall be appointed by the Association, although Developer shall be entitled to select one member of the Committee so long as it has an interest in any Unit within the Project. Action by any two members of a three-member committee shall constitute action of the entire committee have the following powers and duties in addition to other such powers and duties which may be set forth elsewhere in this Instrument.

2. In the event of death, resignation or inability to act of any member of the Committee, the remaining members shall have the authority to designate a replacement member, subject to the provisions of this Section.

(b) Administration by the Committee. The Committee shall have the following powers and duties in addition to the other such powers and duties set forth elsewhere in this Instrument:

(1) Approval of Plans. All plans and specifications for the construction of any residence, the undertaking of any grading, and the location of any such residence, the exterior alteration of any residence and all exterior uses or improvements on a Unit shall be approved by the Committee prior to construction, in accordance with this Article. The Committee may reject all or any portion of the plans submitted or require the modification or re-submission of any such plans.

(2) Variations. The Committee may grant variations in its' absolute discretion from this Article, so long as the general intent of this Article shall be substantially achieved; provided, however, that the granting of any variance by the Committee shall require the unanimous vote thereof.

(3) Enforcement. The Committee shall have the primary responsibility for the enforcement of this Article, although enforcement may also be undertaken by the Association or the Developer. For such purpose, it shall have the right to take or refuse to take such action as herein provided, institute legal or equitable proceeding, or to take such other actions which is reasonably calculated to achieve the purposes herein set forth. Any reasonable cost incurred in enforcing this Article shall be assessable against the Unit and the owner thereof, from which a violation arose, and may be enforced in the same manner as collection of assessments.



Section 18. All utilities including but not limited to electricity, telephone water, sewage and gas shall be installed underground when reasonable possible.

Section 19. Fences, hedge rows, garden wall and outdoor screens fences shall be erected or planted only after plans and specification with respect to the same shall have been submitted in writing to and approved by the Condominium Association.

Section 20. All driveways shall be paved with concrete, asphalt, brick pavers or other materials approved by the Condominium Association. All walkways shall be 4 inches concrete on a stabilized subgrade. Brick, wooden boardwalk, or other paving materials may be used if desired.

Section 21. No animals of any kind shall be kept or maintained on any portion of the Project except normal household pets owned by the occupants of a residence located on a Unit within the Project and not maintained for any commercial purpose. Household pets shall have such care so as not to be objectionable or offensive on account of noise, odor or unsanitary conditions. No pets shall be permitted to run loose on any portion of the Project and all animals shall as all times be confined in a residence unless attended on a leash by a responsible person.

Section 22. None of the restrictions contained herein shall apply to the development and construction activities, and sign, if any, of the Developer during the period of sale of any Units in the Project. Notwithstanding anything to the contrary elsewhere contained herein, Developer shall have the right to maintain a sales office, a business office, a construction office and model units, storage areas and reasonable parking for the foregoing and such access to and from and into the Project as may be reasonably required to enable develop of the entire Project by the Developer. The Developer shall restore any areas so utilized to suitable status upon termination of its use.

Article 23. A Co-owner may lease his Unit or any Limited Common Element appurtenant thereto for the same purposes set forth in Section 1 of this Article, except that no Co-owner shall lease less than an entire Unit in the Condominium. The terms of all leases, occupancy agreements and occupancy arrangements shall comply with and incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer, or the Association, to the extent of any units owned by the Association, may lease any number of units in the Project in their discretion and may do so for periods which shall also be within their discretion.



ARTICLE VIII MORTGAGES

Section 1. Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee. The Association may, at the written request of a mortgagee of any Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-owner of such Unit with respect to the Condominium Documents that is not cured within sixty (60) days.

Section 2. The Association may notify each mortgagee appearing in the book of the name of each company insuring the Condominium and the nature and amounts of such coverage.

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

ARTICLE IX AMENDMENTS

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

Section 2. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provision of these By-laws.

Section 3. These By-laws may be amended by the Association at any regular Annual meeting or a special meeting called for such purpose, by an affirmative vote of not less than two-thirds (2/3) of all owners and mortgagees voting on the issue.

Section 4. Prior to the First Annual Meeting of members, these By-laws may be amended by the first Board of Directors upon proposal of amendment by the Developer without approval from any person to make such amendment as shall not increase or decrease the benefits or obligation, or materially affect the rights of any member of the Association



Section 5. Any amendment to these By-laws shall become effective upon recording of such amendment in the office of the Register of Deeds in the County where the Project is located.

Section 6. A copy of each amendment to the By-laws shall be furnished to every member of the Association after adoption, provided, however, that any amendment to these By-laws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.

Section 7. The party causing or requesting an amendment to these By-laws shall be responsible for costs and expenses of the amendment except for amendments adopted pursuant to Section 3 above or pursuant to a decision of the Advisory Committee, which shall be expenses of Administration.

ARTICLE X COMPLIANCE

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

ARTICLE XI LIABILITY FOR NEGLIGENCE

Each Unit Owner is liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that expense is not met by the proceeds of insurance carried by the Association.

If any Unit Owner fails to maintain or repair any part of his Unit or the Limited Common Elements required to be maintained and repaired by such Unit Owner, or if a Unit Owner becomes liable for maintenance, repair or replacement due to negligent conduct as provided in the foregoing paragraph, and if such maintenance or repair is necessary, in the sole discretion of the Association, to protect the Common Elements, or any other portion of the Condominium



Property, and such failure of the Unit Owner to maintain or repair continues for a reasonable time after written notice of the necessity of such maintenance or repair has been delivered by the Association to the Unit Owner, the Association may levy a special assessment against such Unit Owner for the cost of said maintenance or repair and cause such repairs or maintenance to be made.

ARTICLE XII DEFINITIONS

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

ARTICLE XIII SEVERABILITY

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

ARTICLE XIV RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to the Association or any other entity. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer.