EXHIBIT A

CONDOMINIUM BYLAWS
OF
CENTRAL LOFTS

ARTICLE I

THE CONDOMINIUM PROJECT

1. Organization. CENTRAL LOFTS, a condominium Project located in the City of South Haven, Van Buren County, Michigan, is being constructed in a single phase consisting of a total of twenty-four (24) Units. Once the Master Deed is recorded, the management, maintenance, operation, and administration of the Project shall be vested in an Association of Co-Owners organized as a nonprofit corporation under Michigan law.

2. Compliance. All present and future Co-Owners, mortgagees, lessees, or other persons who may use the facilities of the Condominium in any manner shall be subject to and comply with the Michigan Condominium Act, MCLA 559.101 et seq., the Master Deed and its amendments, the articles of incorporation, the Association Bylaws, and other Condominium Documents that pertain to the use and operation of the Condominium property. The Association shall keep current copies of these documents and make them available for inspection at reasonable hours to Co-Owners, prospective purchasers, and prospective mortgagees of Units in the Project. If the Michigan Condominium Act conflicts with any Condominium Documents referred to in these Bylaws, the act shall govern. A party's acceptance of a deed of conveyance or of a lease or occupancy of a Condominium Unit in the Project shall constitute an acceptance of the provisions of these documents and an agreement to comply with them.

ARTICLE II

MEMBERSHIP AND VOTING

1. Membership. Each present and future Co-Owner of a Unit in the Project shall be a member of the Association, and no other person or entity shall be entitled to membership. The share of a member in the funds and assets of the Association may be assigned, pledged, or transferred only as an appurtenance to the Condominium Unit.

2. Voting rights. Except as limited in the Master Deed and in these Bylaws, each Co-Owner 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 Percentage of Value assigned to the Units owned by the Co-Owner as stated in the Master Deed, when voting by value. Voting shall be by value: (i) except for election of members of the board of directors pursuant to Section 1 of Article III of the Association Bylaws, which voting shall be by number; and (ii) until the Developer no longer owns any Units which the Developer is offering for sale in the Project, at which time all voting shall be by number except when specifically required in the Condominium Documents to be by value or by number and value. No cumulation of votes shall be permitted.

3. Members Entitled to Vote. No Co-Owner, other than the Developer, may vote at a meeting of the Association until the Co-Owner presents written evidence of the ownership of a Condominium Unit in the Project, nor may a Co-Owner, other than the Developer, vote before the initial meeting of members (except for elections held pursuant to Article IV, paragraph 2). The Developer may vote only for those Units to which it still holds title and for which it is paying the full annual assessment in effect when the vote is cast.

4. Designation of Voting Representative. The person entitled to cast the vote for the Unit and to receive all notices and other communications from the Association may be designated by a certificate signed by all the record owners of the Unit and filed with the secretary of the Association. Such a certificate shall state the name and address of the designated individual, the number of Units owned, and the name and address of the party who is the legal Co-Owner. All certificates shall be valid until revoked, until superseded by a subsequent certificate, or until the ownership of the Unit concerned changes.

5. Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and for any adjournment of that meeting and must be filed with the Association before the appointed time of the meeting.

6. Majority. At any meeting of members at which a quorum is present, 51 percent of the Co-Owners entitled to vote and present in person or by proxy, in accordance with the percentages allocated to each Condominium Unit in the Master Deed for the Project, shall constitute a majority for the approval of the matters presented to the meeting, except as otherwise required in these bylaws, in the Master Deed, or by law.

ARTICLE III

MEETINGS AND QUORUM

1. Initial Meeting of Members. The initial meeting of the members of the Association may be convened only by the Developer and may be called by the Developer in its sole discretion at any time after 25% in number of the Units in the Condominium have been sold and the purchasers have been qualified as members of the Association. In no event, however, shall the initial meeting be called later than 120 days after the conveyance of legal or equitable title to non-Developer Co-Owners of 25% of the Units that may be created or within 54 months after the first conveyance of legal or equitable title to a non-Developer Co-Owner of a Unit in the Project, whichever occurs first. At the initial meeting, the eligible Co-Owners may vote for the election of directors of the Association. The Developer may call meetings of members of the Association for informational or other appropriate purposes before the initial meeting, but no such informational meeting shall be construed as the initial meeting of members. The date, time, and place of the initial meeting shall be set by the Board of Directors, and at least 10 days' written notice shall be given to each Co-Owner.

2. Annual Meeting of Members. After the initial meeting, an annual meeting of the members shall be held in each year at the time and place specified in the Association Bylaws. At least 10 days before an annual meeting, written notice of the time, place, and purpose of the meeting

shall be sent by first class U.S. mail, postage prepaid, to each member entitled to vote at the meeting.

3. Special Meetings of Members. The President shall call a special meeting of the Members upon a petition signed by 25% of the Members in number being presented to the Secretary of the Association or upon the direction of a majority of the Board of Directors. Notice of any special meeting shall state the time, place, and purposes of the meeting and shall be given at least 10 days prior to the date of the meeting. Only business stated in the notice shall be transacted at a special meeting.

4. Advisory Committee. Not later than 120 days after the conveyance of legal or equitable title to non-Developer Co-Owners of 1/3 of the Units that may be 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 Developer shall select not less than one nor more than three non-Developer Co-Owners to serve as an advisory committee to the Board of Directors. The purpose of the advisory committee shall be to facilitate communication between the Board of Directors and the non-Developer Co-Owners and to aid in the ultimate transfer of control to the Association. The members of the advisory committee shall serve for one year or until their successors are selected, and the advisory committee shall automatically cease to exist on the Transitional Control Date. The Board of Directors and the advisory committee shall meet with each other when the advisory committee requests. However, there shall not be more than two such meetings each year unless both parties agree.

5. Quorum of Members. The presence in person or by proxy of 51% in number and value of the Co-Owners entitled to vote shall constitute a quorum of members. The written vote of any person furnished at or before any meeting at which the 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 on which the vote is cast.

ARTICLE IV

ADMINISTRATION

1. Board of Directors. The business, property, and affairs of the Association shall be managed and administered by a Board of Directors to be elected in the manner stated in the Association Bylaws. The directors designated in the articles of incorporation shall serve until their successors have been elected and qualified at the initial meeting of members.

2. Composition of the Board. Not later than 120 days after the conveyance of legal or equitable title to non-Developer Co-Owners of 25% of the Units that may be created, at least one director and not less than 1/4 of the Board of Directors of the Association shall be elected by non-Developer Co-Owners. Not later than 120 days after the conveyance of legal or equitable title to non-Developer Co-Owners of 50% of the Units that may be created, not less than 1/3 of the Board of Directors shall be elected by non-Developer Co-Owners. Not later than 120 days after the 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 may designate at least

one director as long as the Developer owns or offers for sale at least 10% of the Units in the Project that remain to be created.

Notwithstanding the formula provided above, 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 that may be created has not been conveyed, the non-Developer Co-Owners may elect the number of members of the Board of Directors of the Association equal to the percentage of Units they hold, and the Developer may elect the number of members of the board equal to the percentage of Units that it owns and pays assessments for. This election may increase but not reduce the minimum election and designation rights otherwise established in these bylaws. The application of this provision does not require a change in the size of the board as stated in the corporate bylaws.

If the calculation of the percentage of members of the board that the non-Developer Co-Owners may elect 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 results in a right of non-Developer Co-Owners to elect a fractional number of members of the board, a fractional election right of 0.5 or more shall be rounded up to the nearest whole number, which shall be the number of members of the board that the non-Developer Co-Owners may elect. After applying this formula, the Developer may elect the remaining members of the board. The application of this provision shall not eliminate the right of the Developer to designate at least one member, as provided in these bylaws.

3. Powers and Duties. The board shall have all powers and duties necessary to administer the affairs of the Association. The powers and duties to be exercised by the board shall include the following:

a. Managing and administrating the affairs of the Condominium and maintaining the Condominium Project and the Common Elements;

b. Developing an annual budget and determining, assessing, and collecting amounts required for the operation and other affairs of the Condominium;

c. Contracting for, employing, and discharging persons, firms, corporations, or other agents as necessary for the efficient management, operation, maintenance, and administration of the Condominium Project and property;

d. Adopting and amending rules and regulations for the use of Condominium property;

e. Opening bank accounts, borrowing money, and issuing evidences of indebtedness to further the purposes of the Condominium and designating required signatories therefor, provided, however, that any indebtedness shall also be approved by the affirmative vote of 60% or more of all of the Members of the Association in number and in value;

f. Obtaining insurance for Condominium property, the premiums of which shall be an administration expense, and collecting and allocating any proceeds from the insurance;

g. Leasing or purchasing premises suitable for use by a managing agent or custodial personnel, if necessary, on terms approved by the board;

h. Granting concessions and licenses for the use of parts of the Common Elements for purposes not inconsistent with the Michigan Condominium Act or the Condominium Documents;

i. Owning, maintaining, and improving, and buying, selling, conveying, granting, assigning, transferring, mortgaging, or leasing (as landlord or tenant), or otherwise dealing in any real or personal property, including, but not limited to, any Condominium Unit, easements, rights-of-way, licenses, or any other real property, whether or not contiguous to the Condominium, to benefit the Members of the Association and to further any of the purposes of the Association;

j. Authorizing the signing of contracts, deeds of conveyance, easements, and rights-of-way affecting any real or personal property of the Condominium on behalf of the Co-Owners;

k. Making repairs, additions, improvements, and alterations to the Condominium property and repairing and restoring the property in accordance with the other provisions of these bylaws after damage or destruction by fire or other casualties or condemnation or eminent domain proceedings;

l. Asserting, defending, or settling claims on behalf of all Co-Owners in connection with the Common Elements of the Project and, on written notice to all Co-Owners, instituting actions on behalf of and against the Co-Owners in the name of the Association;

m. Other duties as imposed by resolutions of the members of the Association or as stated in the Condominium Documents;

n. Enforcing the provisions of the Condominium Documents;

o. Taking any other actions required of or permitted to it as administrator of the Condominium by the Condominium Master Deed or Condominium Bylaws or by Act No 59 of the Public Acts of 1978, as amended, and taking any other actions and exercising all powers necessary, incidental, or convenient to the administration, management, maintenance, repair, replacement, and operation of the Condominium and the accomplishment of any of the purposes thereof not forbidden, and with all powers conferred upon nonprofit corporations by the laws of the State of Michigan;

p. Except as otherwise provided in the Condominium Documents, neither the Board of Directors nor the Association shall, by act or omission, abandon, partition, subdivide, encumber, sell, or transfer the Common Elements, or any of them, unless at least two-thirds of the votes of the Members in value have consented thereto. The board may, however, grant easements for public utilities or for other public purposes consistent

with the intended use of the Common Elements by the Condominium and no such grant shall require a vote of the Members.

4. Accounting Records. The Association shall keep detailed records of the expenditures and receipts affecting the administration of the Condominium. These records shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and its Co-Owners. These records shall be open for inspection by the Co-Owners during reasonable working hours at a place to be designated by the Association. The Association shall prepare a financial statement from these records and distribute it to all Co-Owners at least once a year. The Association shall define the contents of the annual financial statement. Qualified independent auditors (who need not be certified public accountants) shall review the records annually and audit them every fifth year. The cost of these reviews and audits shall be an administration expense. Audits need not be certified.

5. Maintenance and Repair.

   a. The Co-Owners must maintain and repair their Condominium Units, except General Common Elements in their Units. Any Co-Owner who desires to repair a Common Element or structurally modify a Unit must first obtain written consent from the Association (or the Developer during the Development and Sales Period) and shall be responsible for all damages to any other Units or to the Common Elements resulting from such repairs or from the Co-Owner's failure to effect such maintenance and repairs.

   b. The Association shall maintain and repair the General Common Elements, inside and outside the Units, and Limited Common Elements to the extent stated in the Master Deed, and shall charge the costs to all the Co-Owners as a common expense unless the repair is necessitated by the negligence, misuse, or neglect of a Co-Owner, in which case the expense shall be charged to the Co-Owner. The Association and its agents shall have access to each Unit during reasonable working hours, on notice to the occupant, for the purpose of maintaining, repairing, or replacing any of the Common Elements in the Unit or accessible from it. The Association and its agents shall also have access to each Unit at all times without notice for emergency repairs necessary to prevent damage to other Units or the Common Elements.

6. Reserve Fund. The Association shall maintain a reserve fund, to be used only for major repairs and replacement of the Common Elements, as required by MCLA 559.205. The fund shall be established in the minimum amount stated in these bylaws on or before the transitional control date and shall, to the extent possible, be maintained at a level that is equal to or greater than 10 percent of the current annual budget of the Association. THE MINIMUM RESERVE STANDARD REQUIRED BY THIS PROVISION MAY PROVE TO BE INADEQUATE. The Association shall carefully analyze the Project from time to time to determine whether a greater amount should be set aside or if additional reserve funds shall be established for other purposes.

7. Mechanics' Liens. A mechanic's lien for work performed on a Condominium Unit or a Limited Common Element shall attach only to the Unit or element on which the work was performed.

A lien for work authorized by the Developer or the principal contractor shall attach only to Condominium Units owned by the Developer when the statement of account and lien are recorded. A mechanic's lien for work authorized by the Association shall attach to each Unit in proportion to the extent to which the Co-Owner must contribute to the administration expenses. No mechanic's lien shall arise or attach to a Condominium Unit for work performed on the General Common Elements that is not contracted by the Association or the Developer.

8. Managing Agent. The board may employ for the Association a management company or managing agent at a compensation rate established by the board to perform duties and services authorized by the board, including the powers and duties listed in paragraph 3 of this Article. The Developer or any person or entity related to it may serve as managing agent if the board appoints the party.

9. Officers. The Association Bylaws shall provide for the designation, number, terms of office, qualifications, manner of election, duties, removal, and replacement of officers of the Association and may contain any other provisions pertinent to officers of the Association that are not inconsistent with these bylaws. Officers may be compensated, but only on the affirmative vote of 60 percent or more of all Co-Owners, in number and in value.

10. Actions Before Initial Meeting of Members. All actions of the first Board of Directors of the Association named in its articles of incorporation or any successors elected by the Developer before the initial meeting of members shall be binding on the Association as though the actions had been authorized by a Board of Directors elected by the members of the Association at the initial meeting or at any subsequent meeting, as long as the actions are within the scope of the powers and duties that may be exercised by a Board of Directors as provided in the Condominium Documents. The Board of Directors may void any service contract or management contract between the Association and the Developer or affiliates of the Developer on the transitional control date, within 90 days after the transitional control date, or on 30 days' notice at any time after that for cause.

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

other rights such director or officer may have. The Board of Directors shall notify all members that it has approved an indemnification payment at least ten (10) days before making the payment.

ARTICLE V

ASSESSMENTS

1. Administration Expenses. The Association shall be assessed as the entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-Owners. Personal property taxes based on such assessments shall be treated as administration expenses. All costs incurred by the Association for any liability connected with the Common Elements or the administration of the Project shall be administration expenses. All sums received pursuant to any policy of insurance securing the interests of the Co-Owners against liabilities or losses connected with the Common Elements or the administration of the Project shall be administration receipts.

2. Determination of Assessments. At least annually, the board shall adopt a budget for the Condominium that shall include the estimated funds required to defray common expenses for which the Association is responsible for the next year, including a reasonable allowance for contingencies and reserves and shall allocate and assess these common charges against all Co-Owners according to their respective common interests on an annual basis. In the absence of Co-Owner approval as provided in these bylaws, such assessments shall be increased only if one of the following conditions is met:

   a. The board finds the budget as originally adopted is insufficient to pay the costs of operating and maintaining the Common Elements.

   b. It is necessary to provide for the repair or replacement of existing Common Elements.

   c. The board decides to purchase additions to the Common Elements, the costs of which may not exceed a total of $5,000 annually.

   d. An emergency or unforeseen development necessitates the increase.

   Any increase in assessments other than under these conditions shall be considered a special assessment requiring approval by a vote of 60% or more of the Co-Owners.

3. Levy of Assessments. All assessments levied against the Units to cover administration expenses, including assessments for repair and maintenance costs for the General Common Elements and any reserve for the repair and maintenance costs, shall be apportioned among and paid by the Co-Owners in proportion to the Percentage of Value assigned to each Unit (pursuant to the formula provided in Article V, Section 2 of the Master Deed), in advance and without any increase or decrease in any rights to use Limited Common Elements. The common expenses shall include expenses the Board deems proper to operate and maintain the Condominium property under the powers and duties delegated to it under these bylaws and may include amounts to be set aside for working capital for the Condominium, for a general operating reserve, and for a reserve to replace any deficit in the common expenses for any prior

year. Any reserves established by the Board before the initial meeting of members shall be subject to approval by the members at the initial meeting. The Board shall advise each Co-Owner in writing of the amount of common charges payable by the Co-Owner and shall furnish copies of each budget on which such common charges are based to all Co-Owners, although failure to deliver a copy of the budget to each Co-Owner shall not affect any Co-Owner's liability for any existing or future assessments. Co-Owners shall pay all assessments levied in accordance with this Article monthly, commencing with acquisition of title to a Unit by any means.

4. Special Assessments. Special assessments in addition to those provided for in this Article, above, may be levied by the Board of Directors from time to time, following approval by the Members as provided below, to meet other needs, requirements, or desires of the Association, including, but not limited to: (a) assessments for capital improvements or additions to the Common Elements at a cost exceeding $5,000.00 per year; (b) assessments to purchase a Unit upon foreclosure of a lien for assessments, as described in paragraph 5, below; or (c) assessments for any other appropriate purpose not elsewhere described herein. Special assessments referred to in this paragraph 4 (but not including those assessments referred to in paragraphs 2 or 3, above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of 60% or more of all Members in value and in number, which approval shall be granted only by a vote of the Members taken at a meeting of the Members called in accordance with the provisions of Article III, above.

5. Collection of Assessments. Each Co-Owner shall be obligated to pay all assessments levied on the Co-Owner's Unit while the Co-Owner owns the Unit. No Co-Owner may be exempted from liability for the Co-Owner's contribution toward the administration expenses by a waiver of the use or enjoyment of any of the Common Elements or by the abandonment of the Co-Owner's Unit. If any Co-Owner, defaults in paying the assessed charges, the board may impose reasonable fines or charge interest at the legal rate on the assessment from the date it is due.

   a. Remedies. Unpaid assessments shall constitute a lien on the Unit that has priority over all other liens except state or federal tax liens and sums unpaid on a first mortgage of record recorded before any notice of lien by the Association. In addition to any other remedies available to the Association, the Association may enforce the 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 its Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. A Co-Owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-Owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-Owner or any persons claiming under it. The Association may also assess fines for late payment or nonpayment of assessments in accordance with the provisions of Article XI of these Bylaws. All of these remedies shall be cumulative and not alternative. The Association may also enter the Common Elements, Limited or General, to remove or

abate any condition or may discontinue the furnishing of any services to a Co-Owner in default under any of the Condominium Documents on seven days' written notice to the Co-Owner. The Developer, or the Association after the Transitional Control Date, shall give timely written notice to the first mortgagee of public record, and any guarantor(s) of public record of such first mortgage, of any 60-day delinquency in the payment of assessments or charges owed by the owner of any Unit secured by such first mortgage.

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 by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-Owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-Owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, it was notified of the provisions of this subparagraph and that it 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 U.S. mail, postage prepaid, addressed to the delinquent Co-Owner(s) at its or 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 under these Bylaws if the default is not cured within 10 days after the date of mailing. The written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney's fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the names) of the Co-Owner(s) of record. The affidavit shall be recorded in the office of the Register of Deeds in the county in which the Project is located prior to commencement of any foreclosure proceedings, but it need not have been recorded as of the above date of mailing. If the delinquency is cured within the 10-day period, the Association may take such remedial action as may be available to it under these Bylaws or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall notify the delinquent Co-Owner and shall inform him that it may request a judicial hearing by bringing suit against the Association.

d. 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 accrued prior to the time such holder comes into possession of the Unit.

e. Expenses of Collection. All expenses incurred in collection, including interest, costs, and actual attorney's fees, and any advances for taxes or other liens paid by the Association to protect its lien shall be chargeable to the Co-Owner in default and shall be secured by the lien on the Unit.

f. Sale of Units. On the sale or conveyance of a Condominium Unit, all unpaid assessments against the Unit shall be paid out of the sale price by the purchaser in preference over any other assessments or charges except as otherwise provided by the Condominium Documents or by the Michigan Condominium Act. A purchaser or grantee shall be entitled to a written statement from the Association stating the amount of unpaid assessments against the seller or grantor. Such a purchaser or grantee shall not be liable for liens for any unpaid assessments against the seller or grantor in excess of the amount in the written statement; neither shall the Unit conveyed or granted be subject to any such liens. Unless the purchaser or grantee requests a written statement from the Association at least five days before a sale, as provided in the Michigan Condominium Act, the purchaser or grantee shall be liable for any unpaid assessments against the Unit, together with interest, costs, and attorney fees incurred in the collection of unpaid assessments.

6. Obligations of the Developer.

a. The Developer shall become responsible for payment of the full monthly Association assessment, and all special assessments, for all fully occupied Units owned by it.

b. The Developer shall pay a partial monthly assessment (based upon the resources of the Association that are expected to be consumed by these Units) for completed Units that are either fully or partially vacant or used as models.

c. The Developer shall also maintain any incomplete Units owned by it and pay a fair share of all road maintenance (including snow removal) costs and real estate taxes in the year of the establishment of the Condominium. An "**incomplete Unit**" shall mean any Unit for which a certificate of occupancy has not been issued.

d. In no case, however, shall the Developer be responsible for paying any assessment levied in whole or in part to finance any litigation or other claims against the Developer, any cost of investigating and preparing such claim, or any similar or related cost.

7. Statement of Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any Condominium Unit may request a statement from the Association as to the outstanding amount of any unpaid assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds a right to acquire a Condominium 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 Condominium Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Condominium Unit shall render any unpaid assessment and the lien securing the same fully enforceable against such purchaser and the Condominium Unit itself.

ARTICLE VI

TAXES, INSURANCE, AND REPAIRS

1. Taxes. After the year in which the Condominium is established, all special assessments and property taxes shall be assessed against the individual Units and not against the total property of the Project or any part of it. Taxes and special assessments that become a lien against the total property of the Condominium in the year of its establishment, including those attributable to the individual Units as well as the Common Elements, shall be administration expenses and shall be paid by the Association. Hence, if the total property is still assessed and taxed as one parcel in the first year, then each Condominium Unit shall be assessed a portion of the total bill for such taxes and assessments equal to the Percentage of Value of each Unit, and the Members owning those Units shall reimburse the Association for their Unit share of such bill within 10 days after they have been tendered a statement therefor. Special assessments and property taxes in any year when the property existed as an established Project on the tax day shall be assessed against the individual Units, notwithstanding any subsequent vacation of the Project Any taxes or assessments on the Common Elements in subsequent years shall be administration expenses and shall be paid by the Association. Each Condominium Unit shall be assessed by the Association as part of the regular annual assessment a portion of the total bill for such taxes and assessments equal to the Percentage of Value of each Unit.

   Assessments for subsequent real property improvements to a specific Unit shall be assessed to that Unit only. Each Unit shall be treated as a separate, single Unit of real property for the purpose of property taxes and special assessments and shall not be combined with any other Units. No assessment of a fraction of any Unit or a combination of any Unit with other Units or fractions of Units shall be made, nor shall any division or split of an assessment or tax on a single Unit be made, notwithstanding separate or common ownership of the Unit.

2. Insurance. The Association shall be appointed as attorney-in-fact for each Co-Owner to act in connection with insurance matters and shall be required to obtain and maintain, to the extent available and applicable, fire insurance with extended coverage; vandalism and malicious mischief endorsements; and public liability insurance and worker compensation insurance, and such other insurance coverage as the Board may determine to be appropriate with respect to the ownership, use and maintenance of the General and Limited Common Elements of the

Condominium Project and the administration of Condominium affairs. Such insurance shall be carried and administered in accordance with the following provisions:

a. All such insurance shall be purchased by the Association for the benefit of the Association, the members and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of insurance with mortgagee endorsements to the mortgagees of members' Units. Where possible, such insurance shall (i) take the form of a "master" or "blanket" type policy of single entity condominium insurance coverage and (ii) include what is commonly called "all risk" property coverage. The Developer, or the Association after the Transitional Control Date, shall give timely written notice to the first mortgagees of public record of all of the Units, and all guarantor(s) of public record of such first mortgages, of any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

b. It shall be each member's responsibility to obtain insurance coverage for all property located within his or her Unit or elsewhere in the Condominium Project that is not required to be insured by the Association, and for his or her personal liability for occurrences within his or her Unit or upon Limited Common Elements appurtenant exclusively to his or her Unit (except for building foundations, supporting columns, beams, girders, trusses and other building structural members; Unit perimeter walls, ceilings, floors, entrances, and exits - including doors and windows thereon; and the roofs and all roof areas, all as are appurtenant to each Condominium building and depicted on the Condominium Subdivision Plan), and also for alternative living expenses. The Association shall have absolutely no responsibility for obtaining such coverage.

c. The Association and all members shall use their best efforts to see that all property and liability insurance carried by the Association or any member shall contain appropriate provisions under which the insurer waives its right of subrogation as to any claims against any member or the Association, and the Association and each member waive, each as to the other, any right of recovery for losses covered by insurance. The liability of carriers issuing insurance obtained by the Association shall not, unless otherwise required by law, be affected or diminished on account of any additional insurance carried by any member, and vice versa. All insurance shall also provide that it is not prejudiced by any act or neglect of individual Unit owners.

d. All Common Elements of the Condominium Project will be insured to the full amount of their maximum insurable replacement value, exclusive of foundation and excavation costs. Such coverage shall also include interior walls within any Unit and the pipes, wires, conduits and ducts contained within them and shall further include all fixtures, equipment and trim within a Unit which were furnished with the Unit by the Developer (or such replacements of them as do not exceed the cost of such original items). Any improvements a member makes within his or her Unit shall be covered by insurance obtained by him or her at his or her expense; provided that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable to them shall be assessed to and borne solely by said

member and collected as a part of the assessment levied against said member under Article V of these Bylaws. Such policies shall include an "Agreed Amount Endorsement" and if available an "Inflation Guard Endorsement" or their equivalent.

e. Comprehensive public liability insurance shall be carried in such limits as the Board may from time to time determine to be appropriate, and shall cover the Association, each member, director and officer of it and the professional management agent. If possible, the Developer shall be named as an additional insured party on the Association's liability insurance.

f. All premiums upon insurance policies purchased by the Association pursuant to these Bylaws shall be Expenses of Administration, except as otherwise provided in subsection b. above.

g. If required, the Association shall maintain adequate fidelity coverage to protect against dishonest acts by its officers, directors, trustees, and employees and all others who are responsible for handling the Association's funds. Such fidelity bonds shall meet the following requirements:

(1) The Association shall be named as an obligee;

(2) The policy shall be written in whatever amount any lending institution or other agency requesting the policy requires, according to the estimated annual operating expenses of the Condominium Project, including reserves;

(3) The policy shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar terms;

(4) The policy shall provide that it may not be canceled or substantially modified, including for nonpayment of premiums, without at least 30 days' written notice.

h. The Board of Directors is irrevocably appointed the agent for each Co-Owner, each mortgagee, other named insured and their beneficiaries, and any other holders of liens or other interests in the Condominium or the property, to adjust and settle all claims arising under insurance policies purchased by the board and to sign and deliver releases once claims are paid.

i. Each individual Co-Owner shall indemnify and hold harmless every other Co-Owner, the Developer, and the Association for all damages, costs, and judgments, including actual attorney's fees, which any indemnified party may suffer as a result of defending claims arising out of an occurrence on or within such individual Co-Owner's Unit or appurtenant Limited Common Elements. This provision shall not be construed as creating any subrogation right or other right or claim against an individual Co-Owner, the Developer, or the Association.

j. Except as otherwise set forth in these bylaws, all premiums on insurance purchased by the Association pursuant to these bylaws shall be administration expenses.

k. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account, and distributed to the Association, the Co-Owners; and their mortgagees as their interests may appear; provided, however, whenever this Article requires the repair or reconstruction of the Condominium, any insurance proceeds received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such purpose. Hazard insurance proceeds shall never be used for any purpose other than for repair, replacement, or reconstruction of the Project unless all of the holders of mortgages on Units in the Condominium have given their prior written approval.

3. Reconstruction or Repair. If the Condominium Project or any of its Common Elements are destroyed or damaged, in whole or in part, the determination of whether or not to reconstruct or repair, and the responsibility for reconstruction and repair shall be as follows:

a. If a General Common Element, Unit, or main service road is damaged, then the damaged property shall be repaired or rebuilt if any Unit is tenantable, unless all of the Co-Owners and all of the institutional holders of mortgages on any Condominium Unit in the Project unanimously agree to the contrary and agree that the Condominium shall be terminated.

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

c. Any reconstruction or repair shall be performed substantially in accordance with the Master Deed and the original plans and specifications for any damaged improvements located within the Condominium Unit unless prior written approval is obtained from the Association.

d. If the damage is only to a part of a Unit which a Co-Owner is responsible to maintain and repair, then the Co-Owner shall be responsible for repairing the damage in accordance with subsection (e) hereof. In all other cases, the Association shall be responsible for reconstruction and repair. The Association shall notify promptly each holder of a mortgage lien on any of the Condominium Units for any Unit or any part of the Common Elements that is substantially damaged or destroyed.

e. Each Co-Owner shall be responsible for the reconstruction and repair of the interior of its Unit, including, but not limited to, floor coverings, wall coverings, interior walls (but not any Common Elements therein), interior trim, furniture, light fixtures and all equipment whether freestanding or attached, and any other items deemed to be the responsibility of the individual Co-Owner by the Master Deed. If damage to interior walls within a Unit or to pipes, wires, conduits, ducts or other Common Elements therein is covered by insurance held by the Association, then the reconstruction or

repair thereof shall be the responsibility of the Association in accordance with subsection (f). If any other interior portion of a Unit, or item therein, is covered by insurance held by the Association for the benefit of the Co-Owner, then 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, without any change to the obligations set forth in this subsection (e).

f. The Association shall be responsible for the reconstruction and repair of the Common Elements, and for any incidental damage to a Unit and the contents thereof caused by the damage to the Common Elements or the reconstruction or repair thereof. Immediately after the casualty occurs 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 return the damaged property to a condition as good as that existing before the damage.

g. Any insurance proceeds received, whether by the Association or a Co-Owner, shall be used for reconstruction or repair when reconstruction or repair is required by these Bylaws. If the insurance proceeds are not sufficient to pay the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, then assessments shall be made against all Co-Owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. These assessments shall be levied in the same manner as the annual assessments as set forth in Article V, Section 3, hereof.

4. Eminent domain. The following provisions shall pertain on any taking by eminent domain:

a. If any part of the Common Elements is taken by eminent domain, then the award shall be allocated to the Co-Owners in proportion to their undivided interests in the Common Elements. The Association, through its Board of Directors, may negotiate on behalf of all Co-Owners for any taking of Common Elements, and any negotiated settlement approved by more than two-thirds of the Co-Owners based on assigned voting rights shall bind all Co-Owners.

b. If a Unit is taken by eminent domain, then that Unit's undivided interest in the Common Elements shall be reallocated to the remaining Units in proportion to their undivided interests in the Common Elements. The court shall enter a decree reflecting the reallocation of undivided interests and the award shall include just compensation to the Co-Owner of the Unit taken for the Co-Owner's undivided interest in the Common Elements, as well as for the Unit.

c. If part of a Unit is taken by eminent domain, then the court shall determine the fair market value of the part of the Unit not taken. The undivided interest for the Unit in the Common Elements shall be reduced in proportion to the diminution in the fair market value of the Unit resulting from the taking. The part of the undivided interest in the Common Elements thus divested from the Co-Owner of a Unit shall be reallocated

among the other Units in the Project in proportion to their undivided interests in the Common Elements. A Unit that is partially taken shall receive the reallocation in proportion to its undivided interest as reduced by the court order under this provision. The court shall enter a decree reflecting the reallocation of undivided interests, and the award shall include just compensation to the Co-Owner of the Unit partially taken for that part of the undivided interest in the Common Elements divested from the Co-Owner and not revested in the Co-Owner pursuant to provision (d), as well as for the part of the Unit taken by eminent domain.

d. If the taking of part of a Unit makes it impractical to use the remaining part of that Unit for a lawful purpose permitted by the Condominium Documents, the entire undivided interest in the Common Elements appertaining to that Unit shall be reallocated to the remaining Units in the Project in proportion to their undivided interests in the Common Elements. The remaining part of the Unit shall then be a Common Element. The court shall enter an order reflecting the reallocation of undivided interests, and the award shall include just compensation to the Co-Owner of the Unit for the Co-Owner's entire undivided interest in the Common Elements and for the entire Unit.

e. Votes in the Association and liability for future administration expenses pertaining to a Unit that is taken or partially taken by eminent domain shall be reallocated to the remaining Units in proportion to their voting strength in the Association. The voting strength in the Association of a Unit that is partially taken shall be reduced in proportion to the reduction in its undivided interest in the Common Elements.

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

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

b. A construction lien for work authorized by the Developer and performed upon the Common Elements may attach only to Condominium Units owned by the Developer at the time the work is performed.

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

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

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

6. Mortgagees; Notice. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit Owner, or any other party, priority over any rights of mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units, Common Elements or both. The Developer, or the Association after the Transitional Control Date, shall give timely written notice to the first mortgagee(s) of public record, and any guarantor(s) of public record of such first mortgage(s), of any condemnation or casualty loss that affects either a material portion of the Project or the Unit(s) secured by such first mortgage(s).

ARTICLE VII

USE AND OCCUPANCY RESTRICTIONS

1. Use.

   a. Commercial Units. Commercial Units shall be used exclusively for walk-in retail services or merchandise sales, or as a restaurant, or for professional services (e.g., attorneys, accountants, financial planning services, etc.), or for such other commercial uses as are allowed by law (including, without limitation, zoning and other local ordinances, codes, regulations, and rules) that are approved by the developer during the Development and Sales Period, and then thereafter, by the Association, and that do not constitute any of the Prohibited Uses as provided in Appendix A attached hereto. The Common Elements shall be used only for purposes consistent therewith.

   b. Residential Units. No Residential Unit shall be used for other than residential purposes, and the Limited Common Elements shall be used only for purposes consistent with the use of residences. No commercial shall be carried on in the Residential Units, but Co-owners of Residential Units may maintain a business or professional library and make and receive business or professional telephone calls within their Units. Unless prohibited by applicable law, permanent occupancy of each Unit shall be limited to two (2) persons per bedroom, in addition to which, no more than four (4) person who are not members of the same family may reside in any Residential Unit without the prior written consent of the Association.

2. Common Areas. Only Co-Owners of Units in the Condominium and their employees, agents, tenants, invitees, and licensees may use the Common Elements for access to and from the Units and for other purposes incidental to the use of the Units. Any facilities, storage areas, and other common areas designed for a specific use shall be used only for the purposes approved by the Board. The use, maintenance, and operation of the Common Elements shall not be obstructed or unreasonably interfered with by any Co-Owner and shall be subject to any leases, concessions, or easements now or later entered into by the board.

3. Specific Prohibitions. Without limiting the generality of the preceding provisions in this Article, the use of the Project and all Common Elements by any Co-Owner shall be subject to the following restrictions:

a. Improvements. All improvements constructed within a Unit shall be constructed in compliance with all applicable federal, state and local laws and ordinances and in accordance with these Bylaws. All plans shall be approved in advance by the Developer as provided in Article VII, paragraph 7(a), below, and by the City of South Haven Building Inspector, or other governmental agencies, if required by law.

b. Leases. No Unit or part of a Unit may be rented, except as provided in Article IX.

c. Alterations and Modifications. No Co-Owner shall make material or structural modifications to any Unit, including interior walls through or on which there exists easements for support or utilities, or make changes in any of the Common Elements, including without limitation, the erection of antennas, lights, aerials, awnings, doors, shutters, or other exterior attachments or modifications. No Co-Owner shall damage, modify, or make attachments to Common Element walls between Units which alterations in any way impair the sound conditioning properties thereof, without the express written approval of the Developer during the Development and Sales Period, or the Association after the Development and Sales Period. The Developer or the Association, in their sole discretion, may disapprove any such request. However, it may only approve any alterations which do not impair the structural soundness, safety, utility, integrity, or appearance of the Condominium. No Co-Owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way. If access to any facilities of any sort is required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing, or reinstalling any materials, whether or not installation of it has been approved under these Bylaws, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access. The Developer during the Development and Sales Period, or the Association after the Development and Sales Period, may appoint an Environmental Control Committee and may delegate to it responsibility for establishing rules relating to the appearance of Units and common areas, and the approval of the construction, maintenance, and repair thereof. Even after approval, a Co-Owner shall be responsible for all damages to any other Units and their contents or to the Common Elements resulting from any such alteration. If a Co-Owner owns two (2) or more Units, then a Co-Owner may alter the interior walls of its Units; provided, that the alteration does not compromise the structural integrity of the wall or otherwise adversely affect the Unit(s) or another Co-Owner's Unit; and provided, that the Co-Owner obtains the express written approval of the Developer during the Development and Sales Period, or the Association after the Development and Sales Period. A Co-Owner who alters a wall shall be responsible to a Co-Owner for all damage an alteration may cause to another Co-Owner's Unit and shall be responsible to the Association for all damages to any Limited or General Common Elements for which the Association is responsible. A Co-Owner shall return any Unit modified to the way it was originally constructed by the Developer prior to any sale or lease. The Developer during the Development and Sales Period, or the Association after the Development and Sales

Period, may approve a sale or lease of a Unit without returning the Unit to its original construction if the party purchasing or leasing the Unit provides its written agreement to the Association to return the Unit to its original condition upon the party's sale or lease of the Unit.

d. Nuisances. No nuisances shall be permitted on the Condominium property, nor shall any use or practice that is not normally associated with the uses permitted under Section 1 of this Article VII, and that is a source of annoyance to the Co-Owners or that interferes with the peaceful possession or proper use of the Project by the Co-Owners, be permitted. No Co-Owner of any Unit will do or permit to be done any act or condition upon or within its Unit which may be or is or may become a nuisance. No Unit will be used in whole or in part for the storage of rubbish of any character whatsoever, nor in the storage of any property or thing that will cause the Unit to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor will any substance, thing, or material be kept upon or within any Unit that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of surrounding Units. In the event that any Co-Owner of any Unit fails or refuses to keep a Unit free from any nuisance, then the Developer or the Association may enter upon the Unit and remove the nuisance and entry for that purpose will not be a trespass; the Co-Owner of the Unit will reimburse the Developer or the Association for all costs of such removal.

e. Unlawful Uses. No immoral, improper, offensive, or unlawful use or activity shall be conducted in or on any Unit or on the Condominium Property or any part of it, and nothing shall be done or kept in any Unit or on the Common Elements that would increase the insurance premiums for the Project without written consent from the Board. No Co-Owner shall permit anything to be done or kept in a Unit or on the Common Elements that violate any law. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time. Any disputes among the Co-Owners arising as .a result of this provision, which cannot be amicably resolved, shall be arbitrated by the Association's Board of Directors. No Co-owner shall use, or permit any occupant, agent, employee, invitee, guest, contractor, subcontractor or member of his or her family to use, any firearms, air rifles, pellet guns, bb guns, bows and arrows, explosives, fireworks, or other similar dangerous weapons, projectiles, or devices anywhere on or about the Condominium Project.

f. Signs. All building identification signs shall have either external or internal lighting unless otherwise approved by the Developer. No signs of any kind (including, without limitation, "For Sale" signs) or any advertising will be displayed on any Residential Unit. Signs or any advertising displayed on any Commercial Unit must be approved as to size, form, location, and number in writing by, and in the sole discretion of, the Developer (or the Association after the Development and Sales Period). Nothing in these Bylaws will be construed to prevent the Developer from erecting, placing, or maintaining signs and offices as may be deemed necessary by the Developer in connection with the sale of Units. All signs in the Condominium Project must comply with applicable the City of South Haven regulations. No signs shall be placed in the windows of any building or structure.

g. Obstructions. Neither the Limited nor the General Common Elements shall be used to store supplies, materials, personal property, trash or refuse of any kind, including, without limitation, baby carriages, bicycles, wagons, toys, furniture, and clothing, except as provided in duly adopted Association rules and regulations. Trash receptacles shall be kept in places designated by the Association for them at all times and shall not be permitted elsewhere on the Common Elements except for such short periods of time (less than 24 hours) as may be reasonably necessary to permit the periodic collection of trash. Automobiles may only be washed in areas approved by the Association. The Common Elements shall not be used in any way for the displaying, hanging, storing, drying, shaking, or airing of clothing or other fabrics. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in his or her Unit or upon the Common Elements, which spoils the appearance of the Condominium Project or any portion of it. The General and Limited Common Elements (including, without limitation, halls, sidewalks, landscaped areas, driveways, roads, parking areas, stairways, lobbies, if any, etc.) shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. Except as specifically allowed in the Condominium Documents, no bicycles, vehicles, chairs, or benches may be left unattended on or about the Common Elements. No recreational vehicles, all-terrain vehicles, "three-wheelers," "four-wheelers," house trailers, semi trucks or trailers boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, or vehicles other than automobiles, vans or non-commercial pick-up trucks may be parked or stored at the Condominium Project except temporarily for a period of not more than twenty-four (24) consecutive hours to facilitate loading and unloading. No snowmobile, all-terrain vehicle, "three-wheeler," "four-wheeler," or the like or other unlicensed vehicle shall be operated within the boundaries of the Condominium Project. Commercial vehicles shall not be parked in or about the Condominium Project unless while making deliveries or pick-ups in the normal course of business.

h. Parking and Loading Areas. All parking and loading areas shall be kept in good condition and free of any debris or obstructions. Parking areas may be assigned as provided in the Condominium Documents to particular Units or groups of Units. In regard to parking areas designated on the Condominium Subdivision Plan as Limited Common Elements appurtenant only to the Residential Units, or designated as being appurtenant only to the Commercial Units, such Limited Common Elements may be used by the Co-Owners of the nondesignated Units, and their licensees, invitees, and guests, for ingress and egress only (and not for parking), and only if such designated parking area has not been physically constructed, barricaded, or signed with the intent of preventing its use for ingress and egress by the Co-Owners of nondesignated Units.

i. Fuel Storage Tanks. No oil or fuel storage tanks may be installed on any Unit.

j. Waste Disposal. All waste, debris, and trash from each Unit shall be stored and placed in suitable and safe covered containers and removed regularly from each Unit by the occupant at its expense from time to time, and no waste containers shall be permitted in

the front yard of any Unit. At all times waste containers shall be kept in the areas as approved by the Developer or the Association after the Development and Sales Period.

k. Zoning. The use of any Unit must satisfy the requirements of the zoning ordinance of the City of South Haven, which is in effect at the time of the contemplated use unless a variance or approval for such use is obtained from the Zoning Board of Appeals and/or Planning Commission of the City of South Haven, and the Co-Owner must obtain written consent from the Developer during the Development and Sales Period or the Association after the Development and Sales Period.

l. Storage. No open, unenclosed storage of materials, supplies, equipment, or any other thing or matter used or consumed on a Commercial Unit shall be permitted, except with the consent of the Developer during the Development and Sales Period or of the Association after the Development and Sales Period. All enclosed storage areas also shall be approved by the Developer during the Development and Sales Period or by the Association after the Development and Sales Period. All materials, supplies, equipment, or matter to be used for any purpose on a Commercial Unit shall be stored indoors and away from public view, unless prior approval is obtained from the Developer or the Association. Any approval by the Developer during the Development and Sales Period or by the Association after the Development and Sales Period shall not be unreasonably withheld.

m. Mail Boxes. All mail boxes shall be located and provided in a central location or locations by the Developer.

n. 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 express written approval of the Developer during the Development and Sales Period, or the Association after the Development and Sales Period.

o. Animals.

(a) Subject to the additional rules applicable to dogs that are set forth below in this subsection (a), and except in the case of animals used to assist handicapped persons, no more than two (2) cats or dogs, in total, which are owned by the Co-owner at the time the Unit is purchased, or any fish, or a reasonable number of birds, may be kept in each Unit. Except in the case of animals used to assist handicapped persons, no person leasing a Condominium Unit may keep any cat or dog in the Unit. Under no circumstances may animals be kept in the Common Elements. The aggregate weight of any such animals allowed in any one Unit may not exceed sixty (60) pounds unless otherwise approved in writing by the Developer, or the Association after the Transitional Control Date, in regard to a specific animal or animals. Only dogs that are owned by the Co-owner at the time the Unit is purchased shall be permitted. Once a permitted dog ceases to reside in a Unit (whether on account of death or other reason), it may not be replaced with another dog without the prior written approval of the Board of Directors, which may be withheld in the reasonable discretion of the

Board. Frequent barking by a dog shall be conclusively presumed to constitute a nuisance and subject the dog to removal from the project.

(b) Animals may not be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor, activity or unsanitary condition(s). No savage or dangerous animal shall be kept at the Condominium Project. Pit bulls and snakes and other animals of an unusual or exotic nature, or those not normally found living in a residential dwelling, are among those considered "savage or dangerous," and they may not be kept at the Condominium Project. No animal may be permitted to run loose upon the Common Elements, Limited or General. All animals must be leashed, caged or contained when on the Common Elements, and when on indoors Common Elements carried by their owner, except when inside the confines of a Unit. Under no circumstances shall any animal be allowed to deposit any solid waste on or in the outdoor Common Elements unless it is promptly removed, nor any solid or liquid waste on or in the indoor Common Elements at any time whatsoever. Each Unit owner and each occupant shall be responsible for picking up after any animal in such owner's or occupant's respective care, including, without limitation, properly disposing of any waste deposited by such animal. The Association may limit the areas of the Condominium Project accessible to animals. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in these Bylaws if the Association determines such assessment is necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium Project. The Board may, without liability to the owner of it, remove or cause to be removed from the Condominium Project, any animal which the Board determines, in its sole discretion, to be: (i) savage or dangerous in any way, (ii) a nuisance to any Unit owner, occupant or any party entrusted with the operation and/or maintenance of the Condominium Project or any of their respective agents, employees, contractors or invitees, or (iii) in violation of the restrictions contained in this Subsection.

(c) All animals must be registered with the Association and the Association may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. Any person who causes an animal to be brought or kept in the Condominium Project shall indemnify and hold harmless the Association for any damage, loss or liability which might accrue to the Association as a result of the presence of such animal in the Condominium Project, regardless of whether the animal's presence is permitted.

p. Environmental. The Co-Owners shall at all times comply with the requirements of all applicable federal, state and local environmental, health, safety, and sanitation laws, ordinances, codes, rules, regulations, and orders of any regulatory or administrative authority. The term "Hazardous Substances" shall mean any hazardous substance or toxic substance as defined in 42 USC §§ 9603 or 11004, or any regulations promulgated thereunder, any hazardous waste as defined in 42 USC § 6902 et seq, and any pollutant,

contaminant, or hazardous or toxic substance within the meaning of any other applicable federal, state, or local law, regulation, ordinance, or requirement, including without limitation, pesticides, petroleum products and derivatives, radioactive material, asbestos, and polychlorinated biphenyls (PCBs).

The Co-Owners of Commercial Units shall take all steps to minimize the risk of liability relating to environmental contamination or hazards on the Condominium Premises, including, but not limited to, the following:

(1) The Co-Owners shall not permit any person to use the Condominium Premises as a dump or landfill, or as a facility for waste treatment, storage or disposal.

(2) The Co-Owners shall not permit the release or disposal of any petroleum products or Hazardous Substances at the Condominium Premises, except in compliance with all federal, state, or local laws.

(3) The Co-Owners shall not conduct any operation or activities on the Condominium Premises or permit any condition to exist on the Condominium Premises in violation of any federal, state or local environmental law.

(4) The Co-Owners shall not install, or allow anyone to install, any underground storage tanks ("UST") on the Condominium Premises.

(5) The installation and use of any above-ground storage tanks shall comply with all applicable federal, state or local laws or regulations.

(6) The Co-Owners shall immediately notify the Developer and the Association and all appropriate governmental agencies in writing of any release or threatened release of Hazardous Substances or petroleum products on the Condominium Premises.

(7) The Co-Owners shall immediately notify the Developer and the Association in writing of any communication from any governmental agency regarding any release or threatened release of Hazardous Substances or petroleum products on or relating to the Condominium Premises, and shall provide the Developer and the Association with copies of all documents relating to such communications.

(8) The Co-Owners shall immediately notify the Developer and the Association in writing of any communication from any person regarding any potential liability of the Co-Owner or the Developer and the Association under applicable federal, state,. or local environmental laws, and shall provide the Developer and the Association with copies of all documents relating to such communications.

(9) The Developer and the Association shall have the right to enter and inspect the condition of the Condominium Premises and each Commercial Unit at any reasonable time without notice to the Co-Owners and to conduct any inspection, testing, or environmental audits which the Developer or the Association believes

are necessary to determine the Co-Owners' compliance with the environmental covenants and representations contained herein.

(10) No Co-Owner shall make any change in the use or operation of its Unit that will impact the environmental condition of the property without prior written approval from the Developer during the Development and Sales Period, or the Association after the Development and Sales Period. The Developer or the Association may withhold their approval if the proposed activity would, in their judgment, materially increase the risk of environmental contamination or degradation of the Condominium Premises. If any such change in the use or operation of the Condominium Premises or any Unit occurs without the prior written approval of the Developer and the Association, then they may require the use or operation to cease immediately, and the Co-Owner shall, at the option of the Developer or the Association, be deemed in violation of these Bylaws.

(11) In the event environmental contamination occurs at the Condominium Premises as a direct result of the acts, omissions, or negligence of a Co-Owner, or its employees, agents, licensees, or invitees, the Co-Owner agrees at its expense to take all actions to correct or remedy the contamination required by any federal, state, or local government or governmental agency possessing appropriate authority over environmental contamination problems, including, but not limited to, the U.S. Environmental Protection Agency, the Michigan Department of Environmental Quality, and/or the Michigan Department of Natural Resources. This provision shall not be construed as limiting in any way the Co-Owner's obligations under subsection 12, below.

(12) Each Co-Owner shall at all times indemnify the Developer, the Association, and the other Co-Owners for, defend them against, and save them harmless from any liability, loss, cost, injury, damage, or other expense that may occur or be claimed by or with respect to any person or property on the Condominium Premises and resulting from the use, misuse, occupancy, possession, or unoccupancy of the Condominium Premises by the Co-Owner or by its agents, employees, licensees, invitees, guests, or other such persons; resulting from the Co-Owner's failure to comply with any environmental, health, safety or sanitation law, code, ordinance, rule or regulation or any order of any regulatory or administrative authority; resulting from any release of Hazardous Substances on or from the Condominium Premises occurring as the result of the acts, omissions, or the negligence of the Co-Owner, or its agents, employees, licensees, invitees, or trespassers; and resulting from any and all damage to natural resources or real property and/or harm or injury to persons resulting or alleged to have resulted from such failure to comply and/or release of Hazardous Substances. The Co-Owner shall, at its own cost and expense, defend the Developer, the Association, and the other Co-Owners against any and all such actions, claims, and demands and shall indemnify them for all costs and expenses they may incur in connection therewith. The Developer and the Association shall not be liable for any injury or damage to the Condominium Premises or to the agents, employees, licensees, or guests of the Co-Owner, or to

any property of such persons, and the Co-Owner shall not make any claim or demand upon or institute any action against the Developer and the Association as a result of any such injury or damage. The indemnification provided for herein shall not extend to any liability, loss, cost, injury, damage, or other expense or claim caused by the sole act of another Co-Owner, the Developer, the Association, or of their agents, employees, licensees, invitees, or guests.

q. Disputes. In the absence of an election to arbitrate pursuant to Article XII of these bylaws, a dispute or question whether a violation of any specific regulation or restriction in this Article has occurred shall be submitted to the Board of Directors of the Association, which shall conduct a hearing and render a written decision. The Board's decision shall bind all Co-Owners and other parties that have an interest in the Condominium Project.

4. Rules and Regulations. The Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-Owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of Units may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments shall be furnished to all Co-Owners.

5. Use by the Developer. While a Unit is for sale by the Developer, the Developer and its agents, employees, contractors, subcontractors, and their agents and employees may access any part of the Project as is reasonably required for the purpose of the sale. Until all the Units in the Project have been sold by the Developer and each Unit is occupied by the purchaser, the Developer may maintain a sales office, a business office, a construction office, trucks, other construction equipment, storage areas, and customary signs to enable the development and sale of the entire Project. The Developer shall restore all areas and equipment to habitable status when it is finished with this use.

6. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant to the Unit from time to time, during reasonable working hours, upon notice to the Co-Owner as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant to the Unit at all times without-notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-Owner to provide the Association means of access to its Unit and any Limited Common Elements, 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 the improvements on the Unit and any Limited Common Elements appurtenant to the Unit caused by such access or for repair or replacement of any doors or windows damaged in gaining such access.

7. Reserved Rights of Developer.

a. Architectural Control. No building, wall, road, sidewalk or other structure or improvements will be placed on the Condominium Premises unless the plans and specifications for it showing the nature, kind, shape, height, color, materials and location of the improvements (including floor plan and exterior colors) and the plot plan (including elevations) have the prior written approval of the Developer, and the City of South Haven Planning Commission and/or Zoning Board of Appeals, if necessary, and no changes or deviations in or from such plans and specifications as approved will be made without the prior written consent of the Developer. The front facade of each Commercial Unit shall be consistent with the other Commercial Units and shall be approved by the Developer. Two sets of complete plans and specifications must be submitted; one will be retained by the Developer and one will be returned to the applicant. Any such plans for construction or alteration referred to above will include a plan for restoration of the Condominium Premises after construction or alteration to a condition satisfactory to the Developer.

All improvements to a Unit must be constructed only in accordance with the plans and specifications as approved by the Developer. Construction of any improvements also must receive any necessary approvals from local public authorities.

Refusal of approval of plans and specifications by the Developer may be based on any ground, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Developer seem sufficient. In passing upon such plans and specifications, the Developer will have the right to take into consideration the suitability of the proposed improvement or modification, the Units in which it is proposed to construct the same, and the degree of harmony of it with the Condominium as a whole. No alteration in the exterior appearance of the Condominium building will be made without the approval of the Developer. The Developer will not be responsible for any defects in such plans or specifications or in any improvements constructed according to such plans and specifications.

The Developer may also, in its discretion, require as a condition of approval of any plans, an agreement for special assessment of increased maintenance charged from any Co-Owner whose proposed improvements will cause the Association abnormal expenses in carrying out its responsibilities under the Master Deed.

Developer's rights under this Article may, in Developer's discretion, be assigned to the Association or other successor to Developer. Developer may construct any improvements upon the Condominium Premises that it may, in its sole discretion, elect to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium Documents.

b. Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VII shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Development and Sales Period or of the Association in furtherance of its powers and purposes stated in this Agreement and in its Articles of Incorporation, as the same may be amended from time to time.

Notwithstanding anything to the contrary in these Bylaws, the Developer shall have the right to maintain a sales office, a business office, a construction office, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by the Developer; and may continue to do so during the entire Development and Sales Period. The Developer shall restore the areas so utilized to habitable status upon termination of use.

c. Enforcement of Bylaws. The Developer shall have the right to enforce these Bylaws throughout the Development and Sales Period, which right of enforcement shall include (without limitation) an action to restrain the Association or any Owner from any activity prohibited by these Bylaws.

ARTICLE VIII

MORTGAGES

1. Mortgage of Condominium Units. Any Co-Owner who mortgages a Condominium Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Units." At the written request of a mortgagee of any Unit, the mortgagee may (a) inspect the records of the Project during normal business hours, on reasonable notice; (b) receive a copy of the annual financial statement of the Association, which is prepared for the Association and distributed to the owners; and (c) receive written notice of all meetings of the Association and designate a representative to attend all such meetings. However, the Association's failure to fulfill any such request shall not affect the validity of any action or decision. The holder of the mortgage is entitled, on written request, to notification from the Association of any default by the mortgagor in the performance of the mortgagor's obligations under the Condominium Documents that is not cured within 60 days.

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

ARTICLE IX

LEASES

1. Notice of Leases. Any Co-Owner, including the Developer, may lease its Condominium Unit to a third party, but the lease of the Unit shall not release the Co-Owner from any of its obligations under the Condominium Documents. No Residential Unit may be leased except under a written lease for a period of one (1) year or longer, and no Commercial Unit may be leased except under a written lease for a period of thirty (30) days or longer. A Co-owner, including the Developer, desiring to rent or lease a Condominium Unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form or otherwise agreeing to grant possession of a Condominium Unit to a potential lessee, and at the same time,

shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. The Board shall advise the member of any deficiencies in the lease form, and the member shall correct such deficiencies as directed by the Board before presenting a copy of the lease form to a potential lessee. If Developer proposes to rent any Condominium Unit before the Transitional Control Date, Developer shall notify either the advisory committee or each Co-owner in writing. For security purposes, the Association may require that all non-Co-owner occupants shall register their presence with the Association prior to taking occupancy and shall notify the Association upon departure.

2. Terms of Leases. Tenants and non-Co-Owner occupants, and any activities to be conducted on the Unit, shall comply with all of the provisions of the Condominium Documents and all federal, state, or local laws or ordinances, and all lease agreements shall state this condition.

3. Additional Restrictions on Leasing. Except for the Developer, no Co-Owner shall lease less than an entire Unit in the Condominium, unless specifically approved in writing by the Board of Directors; and no tenant of a Unit shall be permitted to occupy a Unit, except under written lease, unless specifically approved in writing by the Association, except in the case of a Unit leased by the Developer. The Association may, except to the extent prohibited by law, and except in the case of a Unit leased by the Developer, require a security deposit from any proposed tenant of a Unit, as a condition to the approval of any lease.

4. Remedies. If the Association determines that any tenant or non-Co-Owner occupant has failed to comply with the provisions of the Condominium Documents, the Association may take the following actions:

   a. The Association shall notify the Co-Owner by certified mail addressed to the Co-Owner at the Co-Owner's last known address of the alleged violation by the tenant.

   b. The Co-Owner shall have 15 days after receiving the notice to investigate and correct the alleged breach by the tenant or to advise the Association that a violation has not occurred.

   c. If, after 15 days, the Association believes that the alleged breach has not been cured or might be repeated, it may institute an action for eviction against the tenant or non-Co-Owner occupant and a simultaneous action for money damages (in the same or another action) against the Co-Owner and the tenant or non-Co-Owner occupant for breach of the provisions of the Condominium Documents. The relief stated in this provision may be By summary proceeding. The Association may hold both the tenant and the Co-Owner liable for any damages to the General Common Elements caused by the Co-Owner or the tenant.

5. Assessments. When a Co-Owner is in arrears to the Association for assessments, the Association may notify any tenant occupying a Co-Owner's Unit under a lease or rental agreement of the arrearage in writing. After receiving such a notice, the tenant shall deduct from rental payments due to the Co-Owner the full arrearage and future assessments as they fall due and shall pay them to the Association. Such deductions shall not be a breach of the rental agreement or lease.

ARTICLE X

REMEDIES FOR DEFAULT

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

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.

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

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 stated above, to enter upon the Common Elements or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the 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 under these Bylaws.

4. Nonwaiver of Right. The failure of the Association or of any Co-Owner to enforce any right, provision; covenant or condition shall not constitute a waiver of the right of enforcement in the future.

5. 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 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 a party from exercising any other and additional rights, remedies or privileges as may be available to the party at law or in equity.

6. 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 terms and provisions of the Condominium Documents or the Act.

ARTICLE XI
ASSESSMENT OF FINES

1. General. The violation by any Co-Owner, occupant or guest of any 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. A Co-Owner shall be deemed responsible for the violations whether they occur as a result of its personal actions or the actions of its employees, agents, licensees, invitees, guests, tenants, or any other person admitted by the Co-Owner to the Condominium premises.

2. Procedures. Upon a violation being alleged by the Association, 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 sufficient reasonable specificity as will place the Co-Owner on notice as to the violation, shall be sent by first class U.S. mail, postage prepaid, or personally delivered to the representative of the Co-Owner at the address as shown in the notice required to be filed with the Association pursuant to Article II, paragraph 4 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.

3. Amounts. Upon violation of any of the provisions of the Condominium Documents and after default of the offending Owner or upon the decision of the Board as recited above, the following fines shall be levied:

   a. First Violation. No fine shall be levied.

   b. Second Violation. Fifty Dollar ($50.00) fine.

   c. Third Violation. One Hundred Dollar ($100.00) fine.

   d. Fourth Violation and Subsequent Violations. Two Hundred Fifty Dollar ($250.00) fine.

4. Collection. The fines levied pursuant to paragraph 3, above, shall be assessed against the Co-Owner and shall be due and payable together with the regular Condominium assessment on the first day of the next month. Failure to pay the fine will subject the Co-Owner to all liabilities set forth in the Condominium Documents including, without limitation, those described in Article X of these Bylaws.

ARTICLE XII

ARBITRATION

1. Submission to Arbitration. Any dispute, claim, or grievance relating to the interpretation or application of the Master Deed, bylaws, or other Condominium Documents among Co-Owners or between owners and the Association may, on the election and written consent of the parties to the dispute, claim, or grievance and written notice to the Association, be submitted to arbitration by the arbitration Association. The parties shall accept the arbitrator's award as final and binding. All arbitration under these bylaws shall proceed in accordance with MCLA 600.5001 et seq., and applicable rules of the arbitration Association.

2. Disputes Involving the Developer. A contract to settle by arbitration may also be signed by the Developer and any claimant with a claim against the Developer that may be the subject of a civil action, subject to the following conditions:

   a. At the exclusive option of a purchaser, Co-Owner, or person occupying a restricted Unit in the Project, the Developer shall sign a contract to settle by arbitration a claim that may be the subject of a civil action against the Developer that involves less than $2,500 and relates to a purchase agreement, Condominium Unit, or the Project.

   b. At the exclusive option of the Association of Co-Owners, the Developer shall sign a contract to settle by arbitration a claim that may be the subject of a civil action against the Developer that relates to the Common Elements of the Project and involves less than $10,000.

3. Preservation of Rights. The election of a Co-Owner or the Association to submit a dispute, claim, or grievance to arbitration shall preclude that party from litigating the dispute, claim, or grievance in the courts. However, except as otherwise stated in this Article, no interested party shall be precluded from petitioning the courts to resolve a dispute, claim, or grievance in the absence of an election to arbitrate.

ARTICLE XIII

AMENDMENTS

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

2. Meeting to Be Held. Upon any amendment being proposed, a meeting for consideration of the amendment shall be duly called in accordance with the provisions of the Association Bylaws.

3. Vote Required. These Condominium Bylaws may be amended by an affirmative vote of two-thirds (2/3) of the members in number and in value and two-thirds (2/3) of all mortgagees at any regular meeting or special meeting called for that purpose, except that the method or

formula used to determine the percentage of value of Units in the Condominium Project and any provisions relating to the ability or terms under which a Co-Owner may rent a Unit may not be modified or amended without the consent of each affected member and mortgagee, and except that the vote of mortgagees shall be obtained in the manner set forth in Section 90a of the Act, as amended from time to time, or any similar, successor provision of law. For purposes of this voting, each Co-Owner will have one (1) vote for each Unit owned, including as to the Developer all Units created by the Master Deed but not yet conveyed. Each mortgagee shall have one (1) vote for each Unit against which it holds a duly recorded first mortgage or a duly recorded assignment of first mortgage, unless the Act requires otherwise.

4. Amendments Not Materially Changing Condominium Bylaws. The Developer or Board of Directors may enact amendments to these Condominium Bylaws without the approval of any Co-Owner or mortgagee, provided that the amendments shall not materially alter or change the rights of a Co-Owner or mortgagee. The Developer may also enact amendments to these Condominium Bylaws as provided in the Master Deed.

5. Effective Date. Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon the recording of the amendment in the Office of the Register of Deeds in the county where the Condominium is located.

6. Costs of Amendments. Any person causing or requesting an amendment to these Condominium Bylaws shall be responsible for the costs and expenses of considering, adopting, preparing and recording the amendment except as provided in the Master Deed.

7. Notice; Copies to Be Distributed. Co-Owners shall be notified of proposed amendments not less than ten (10) days before the amendment is recorded. A copy of each amendment to these Bylaws shall be furnished to every Co-Owner after recording; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium Project regardless of whether such persons actually receive a copy of the amendment. The Developer, or the Association after the Transitional Control Date, shall give timely written notice to the first mortgagees of public record, and any guarantor(s) of public record of such first mortgages, of any proposed action that requires the consent of a specified percentage of mortgagees.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

1. Severability. If any of the provisions of these bylaws or any Condominium document are held to be partially or wholly invalid or unenforceable for any reason, that holding shall not affect, alter, or impair any of the other provisions of these documents or the remaining part of any provision that is held to be partially invalid or unenforceable. In such an event, the documents shall be construed as if the invalid or unenforceable provisions were omitted.

2. Notices. Notices provided for in the Michigan Condominium Act, the Master Deed, and the bylaws shall be in writing and shall be addressed to the Association as follows: c/o Scott T.

Bosgraaf, 100 Aniline Avenue, Holland, Michigan 49424, or to the Co-Owner at the address stated in the deed of conveyance, or to either party at a subsequently designated address. The Association may designate a different address by notifying all Co-Owners in writing. Any Co-Owner may designate a different address by notifying the Association in writing. Notices shall be deemed delivered when they are sent by U.S. mail with the postage prepaid or when they are delivered in person.

3. Amendments. These bylaws may be amended or repealed only in the manner stated in Article IX of the Master Deed.

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APPENDIX A

Prohibited Uses for Commercial Units

Prohibited Uses. As used in these Condominium Bylaws, the term "**Prohibited Uses**" shall mean any of the following uses:

(1) Any use which emits or results in strong, unusual or offensive odors, fumes, dust or vapors, is a public or private nuisance, emits noise or sounds which are objectionable due to intermittence, beat, frequency, shrillness or loudness, creates a hazardous condition, or is used, in whole or in part, as or for warehousing or the dumping or disposing of garbage or refuse.

(2) Any assembling, manufacturing, refining, smelting, agricultural, or mining operation;

(3) Any fire sale, bankruptcy sale (unless pursuant to a court order), auction house operation, fictitious going-out-of-business sale, lost-our-lease sale or similarly advertised event;

(4) Any central laundry, dry cleaning plant, or laundromat (except that a dry cleaner that performs all dry cleaning outside the Condominium Premises shall be permitted);

(5) Any automobile, truck, trailer, boat, or recreational vehicle sales, leasing, display or body shop repair operation;

(6) Any bowling alley or skating rink;

(7) Any live performance theater, auditorium, sporting event;

(8) Any living quarters, sleeping apartments, or lodging rooms;

(9) Any veterinary hospital or animal raising or boarding facilities (except to the extent permitted pursuant to (31) below);

(10) Any mortuary or funeral home;

(11) Any "Pornographic Use", which shall include, without limitation, a store displaying for sale or exhibition books, magazines or other publications containing any combination of photographs, drawings or sketches of a sexual nature, which are not primarily scientific or educational, or a store offering for exhibition, sale or rental video cassettes or other medium capable of projecting, transmitting or reproducing, independently or in conjunction with another device, machine or equipment, an image or series of images, the content of which has been rated or advertised generally as NC-17 or "X" or unrated by the Motion Picture Rating Association, or any successor thereto; the parties hereto acknowledge and agree the sale of books, magazines and other publications by a national bookstore of the type normally located in first-class shopping centers in the State in which the Shopping Center is located (such as, for

example, Borders and Barnes & Noble, as said stores currently operate) shall not be deemed a "pornographic use" hereunder; or massage parlor;

(12) Any so-called "head shop", or other establishment primarily selling or exhibiting drug-related paraphernalia;

(13) Any bar or tavern selling alcoholic beverages (except as incidental to a sit-down restaurant);

(14) Any flea market, amusement or video arcade, pool or billiard hall, night club, discotheque, or dance hall;

(15) Any training or education facility, including but not limited to: beauty schools, barber colleges, reading rooms, places of instruction or other operations catering primarily to students or trainees rather than to customers; provided, however, this prohibition shall not be applicable to on-site employee training by an Occupant incidental to the conduct of its business at the Shopping Center;

(16) Any gambling facility or operation, including but not limited to: off-track or sports betting parlor; table games such as black-jack or poker; slot machines; video poker/black-jack/keno machines or similar devices; or bingo hall. Notwithstanding the foregoing, this prohibition shall not apply to governmental sponsored gambling activities, or charitable gambling activities, so long as such governmental and/or charitable activities are incidental to the business operation being conducted by the Occupant;

(17) Any pawn shop, gun shop, or tattoo parlor;

(18) Any church or other place of religious worship;

(19) Any car wash, automobile repair shop, or any business servicing motor vehicles in any respect, including, without [imitation, any quick lube oil change service, tire center or gasoline or service station or facility;

(20) Any carnival, amusement park or circus;

(21) Any supermarket (except that a convenience store shall be allowed); and

(22) hotel/motel;

(23) veterinary office, except as may be incidental to a full-line pet and pet supply store operating in at least 13,000 square feet of Floor Area; such occupant shall use reasonable efforts to prevent its customers from allowing their pets to urinate or defecate in the Common Areas and will promptly remove any "dog dirt" from the Common Areas;

(24) martial arts instruction center (except as incidental to a health club or other related permitted use); or

(25) movie theater.

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