

ISLANDVIEW CONDOMINIUM

MASTER DEED AND BYLAWS

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ISLANDVIEW CONDOMINIUM

MASTER DEEDWAYNE COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 390

THIS MASTER DEED is made and executed this 9th day of June, 1995, by RIVERWOOD DEVELOPMENT, INC., a Michigan corporation, (hereinafter referred to as "Developer") whose address is 3300 W. Jefferson, Trenton, Michigan 48183.

WITNESSETH:

WHEREAS, Developer desires by recording this Master Deed, together with the Condominium Bylaws attached hereto as Exhibit A and together with the Condominium Subdivision Plan attached hereto as Exhibit B (both of which are hereby incorporated by reference and made a part hereof), to establish the real property described in Article II below, together with the improvements located thereon, and the appurtenances thereto, as a condominium under the provisions of the Condominium Act of Michigan.

95120343

NOW, THEREFORE, Developer does, upon the recording hereof, establish Islandview Condominium as a Condominium under the Condominium Act and does declare that the Condominium shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of said Act, and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Master Deed and the Exhibits hereto, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer, its successors and assigns, and any persons acquiring or owning an interest in the executors, administrators and assigns.

151.00 DEED
12 JUN 95 11:39 A.M. RECEIPT DIA
RECORDED
FORREST E. THOMAS, JR. REGISTER OF DEEDS
WAYNE COUNTY, MI

ARTICLE I

TITLE AND NATURE

The Condominium shall be known as Islandview Condominium, Wayne County Condominium Subdivision Plan No. 390. The architectural plans and specifications for the Condominium were filed with the City of Trenton. The buildings, Residential Units, Marina Units and other improvements contained in the Condominium, including the number, boundaries, dimensions and area of each Unit therein are set forth completely in the Condominium Subdivision Plan attached as Exhibit B hereto. Each building contains individual Units to be used and occupied for residential purposes only. Each Residential Unit and each Marina Unit is capable of individual use, having its own entrance from and exit to a common element of the Condominium. Each Co-Owner in the Condominium shall have an exclusive right to his or her Unit and shall have undivided and inseparable rights to share with other Co-Owners the common elements of the Condominium as are

This is to certify that there are no tax liens or titles on this property and that taxes are paid for FIVE YEARS previous to date of this instrument EXCEPT _____

No. 26 Raymond J. Wyman
WAYNE COUNTY TREASURER
Date 6-12-95 Clerk [Signature]

EXAMINED AND APPROVED
DATE JUN 12 1995
BY [Signature]
DANIEL P. LANE
PLAT ENGINEER

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designated by the Master Deed. Co-Owners shall have voting rights in the Islandview Condominium Association as set forth herein and in the Bylaws and Articles of Incorporation of such Association.

ARTICLE II

LEGAL DESCRIPTION

The land which is submitted to the Condominium established by this Master Deed is a parcel of land in the City of Trenton, Wayne County, Michigan described as follows:

Lots 117 to 120, inclusive, Assessor's Trenton Plat No. 2 of blocks E, F, J, K, U and V of Plat of the Village of Trenton and Parkview Subdivision except Lots 20 to 35 incl.; being part of the S. frac. 1/2 of frac. Sec. 18, T. 4 S., R. 11 E., Village (now City) of Trenton, Wayne County, Michigan, as recorded in Liber 66 of Plats, Page 29, Wayne County Records, being more particularly described as beginning at the intersection of the easterly line of Riverside Drive, 82.50 feet wide, and the northerly line of Cherry Street, 82.50 feet wide, and proceeding thence along said easterly line N. 09°31'00" E. 259.98 feet; thence S. 79°07'20" E. 207.80 feet; thence S. 80°27'40" E. 272.94 feet to the U.S. Harbor line; thence along said Harbor line S. 13°22'23" W. 255.70 feet (recorded as 255.72') to the northerly line of Cherry Street; thence along said northerly line N. 80°27'40" W. 463.48 feet (recorded as 463.50 feet) to the point of beginning, containing 2.78 acres, more or less.

ARTICLE III

DEFINITIONS

Certain terms used in this Master Deed and the Exhibits hereto, and in the Articles of Incorporation of the Islandview Condominium Association shall be defined as follows:

- (a) The "Act" or "Condominium Act" means Act 59 of the Public Acts of Michigan of 1978, as amended;
- (b) "Association" or "Association of Co-Owners" means the Michigan nonprofit corporation, Islandview Condominium Association, of which all Co-Owners shall be members, which Association shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan;
- (c) "Boardwalk" means the dock which runs parallel to the Detroit River;
- (d) "Bylaws" means Exhibit A hereto being the Bylaws setting forth the substantive rights and obligations of the Co-Owners and required by Section 3(8) of the Act to be recorded as part of

the Master Deed. The Bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act;

(e) "Common Elements" where used without modification, means both the General and Limited Common Elements described in Article IV hereof;

(f) "Condominium" means Islandview Condominium, a Condominium established pursuant to the provisions of the Act, and includes the land and the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging to the Condominium;

(g) "Condominium Documents" means and includes this Master Deed and the Exhibits hereto and the Articles of Incorporation, and rules and regulations, if any, of the Association as all of the same may be amended from time to time;

(h) "Condominium Subdivision Plan" or "Plan" means the Plan attached to this Master Deed as Exhibit B. The Plan assigns a number to each Condominium Unit and includes a description of the nature, location and approximate size of certain common elements;

(i) "Condominium Unit" or "unit" each mean the space constituting a single complete Residential or Marina Unit designed and intended for separate ownership and use in the Condominium as such space is described on Exhibit B hereto;

(j) "Co-Owner" or "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more Units in the Condominium. Developer is a Co-Owner as long as Developer owns one or more Units;

(k) "Developer" means Riverwood Development, Inc., a Michigan corporation, its successors or assigns. All development rights reserved to Developer herein are assignable in writing; provided, however, that conveyances of Units by Developer shall not serve to assign Developer's development rights unless the instrument of conveyance expressly so states;

(l) "Finger Piers" means permanently anchored piers which are attached perpendicularly to the Boardwalk as shown on the Plan;

(m) "General Common Elements" means a portion of the Common Elements other than the Limited Common Elements;

(n) "Limited Common Elements" means a portion of the Common Elements reserved in this Master Deed for the exclusive use of less than all of the Co-Owners;

(o) "Marina Unit" means any of the 16 Marina Condominium Units, or boat slips, as described on the Plan and identified as Units 49 through 64;

(p) "Master Deed" means this document which, when recorded, shall establish the Condominium and to which the Condominium Bylaws and Condominium Subdivision Plan are attached as Exhibits;

(q) "Mortgagee" means the named mortgagee or owner of any mortgage on all or any portion of the Condominium and includes the United States Department of Housing and Urban Development, or any successor thereto or assignee thereof, so long as any mortgage on all or any portion of the Condominium is insured by the Department of Housing and Urban Development;

(r) "Percentage of Value" means the percentage assigned to each Condominium Unit in Article VI of this Master Deed. The Percentages of Value of all Units shall total one hundred (100%) percent. Percentages of Value shall be determinative only with respect to those matters to which they are specifically deemed to relate either in the Condominium Documents or in the Act;

(s) "Person" means an individual, firm, corporation, partnership, association, trust, the state or an agency of the state or other legal entity, or any combination thereof;

(t) "Record" means to record pursuant to the laws of the State of Michigan relating to the recording of deeds;

(u) "Residential Unit" means any of the Residential Condominium Units described on the Plan and identified as Units 1 through 48;

(v) "Size" means the number of square feet of water surface area (in the case of a Marina Unit) or the number of square feet of ground or floor space (in the case of a Residential Unit) within each Condominium Unit as computed by reference to the Condominium Subdivision Plan and rounded off to a whole number;

(w) "Subaqueous Land" means any land within the Condominium that is submerged beneath the water;

(x) "Transitional Control Date" means the date on which the Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible Co-Owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

(y) "Unit" or "Units" each mean a Marina Unit(s) and/or Residential Unit(s).

ARTICLE IV

COMMON ELEMENTS

The Common Elements of the Condominium described in Exhibit B attached hereto and the respective responsibilities for maintenance, decoration, repair, replacement, restoration or renovation thereof are as follows:

(a) The General Common Elements are:

(1) The land described in Article II hereof, including all Subaqueous Land and any roads, drives, open parking areas, walks and landscaped areas, except to the extent any of the foregoing are designated herein or in the Plan as Limited Common Elements;

(2) All sea walls and all components thereof, including, but not limited to, all anchors and tie-backs providing support for the same;

(3) The Boardwalk;

(4) Such other elements of the Condominium not herein designated as General or Limited Common Elements which are not enclosed within the boundaries of a Unit and which are intended for common use or are necessary to the existence, upkeep and safety of the Condominium.

(b) The Limited Common Elements are:

(1) The structure surrounding the Residential Units, including without limitation, the foundations, supporting columns, perimeter walls (including windows and doors therein) and such other walls as are designated on the Plan as General Common Elements, roofs, ceilings, floor construction between Residential Unit levels and chimneys are appurtenant to the Residential Units;

(2) Each balcony, deck, fireplace combustion chamber and carport (including the storage box located therein), is limited to the sole use of the Co-Owner of the Residential Unit which such Limited Common Elements serve and as are assigned on the Plan;

(3) Interior surfaces of Residential Unit perimeter walls (including any windows and doors therein), ceilings and floors contained within a Residential Unit are limited to the sole use of the Co-Owner of such Residential Unit;

(4) The Finger Piers are Limited Common Elements of the Marina Units to which such Finger Piers give access.

(5) The cable television transmission system, if any, throughout the Condominium, including that contained within any Residential Unit walls up to the point of connection with outlets within any Residential Unit is appurtenant to the Residential Units;

(6) The electrical, gas, telephone and water and plumbing networks or systems throughout the Condominium, including those contained within Residential Unit walls up to the point of connection with outlets or fixtures within any Residential Unit shall be Limited Common Elements appurtenant to the Residential Units, except to the extent that portions of the electrical system may serve the General Common Elements, in which case, such portion of the electrical system shall be a General Common Element and service to the General Common Elements shall be metered to the Association;

(c) Maintenance, repair, replacement, renovation or restoration of all Common Elements shall be the responsibility of the Association, to be assessed to all Co-Owners according to their Percentages of Value, except that the costs of maintenance, repair, replacement, renovation or restoration of Limited Common Elements described in subparagraph (b) above shall be assessed equally to the respective Co-Owners of the Unit types to which the same are appurtenant (i.e. equally among the Residential Units or equally among the Marina Units). Repair of damage to a Common

Element caused by a Co-Owner, or family member or invitee of a Co-Owner, shall be assessed against that Co-Owner.

(d) All utilities serving the Residential Units shall be individually metered to each Residential Unit except for water which shall be a common expense shared equally by all Residential Unit Co-owners.

ARTICLE V

USE OF PREMISES

No person shall use any Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium or in any manner which will interfere with or impair the rights of any other Co-Owner in the use and enjoyment of the Condominium.

ARTICLE VI

CONDOMINIUM UNIT DESCRIPTION AND PERCENTAGE OF VALUE

(a) The Condominium consists of 48 Residential Units and 16 Marina Units. Each Unit is described in this paragraph with reference to the Condominium Subdivision Plan attached hereto as Exhibit B. Each Residential Unit shall include all that space contained within the interior side of the finished, unpainted perimeter walls, and within the ceilings and finished subfloor, all as shown on the Plan and delineated with heavy outlines. Each Marina Unit shall consist of the air space extending thirty (30) feet above the surface of the water within the area delineated with heavy outlines on the Plan and extending down to a point immediately above the Subaqueous Land. For all purposes, individual Units may hereafter be defined and described by reference to this Master Deed and the individual number assigned to the Unit in the Condominium Subdivision Plan.

(b) The Percentage of Value assigned to each Unit is set forth below and shall be determinative of the undivided interest of each respective Co-Owner in the proceeds and expenses (unless otherwise provided) of the Association, the value of such Co-Owner's vote at meetings of the Association, and the undivided interest of the Co-Owner in the Common Elements. The total percentage value of the Condominium is 100%. Individual Unit Percentages of Value shall be as follows:

Schedule of Percentages of Value

<u>Residential Units</u>	<u>Percentage of Value</u>
1	2.343
2	2.400
3	1.730
4	1.875
5	1.730
6	1.875

Residential UnitsPercentage of Value

7	1.812
8	1.928
9	2.343
10	2.400
11	1.854
12	1.979
13	1.773
14	1.979
15	1.864
16	2.062
17	2.479
18	2.604
19	2.187
20	2.271
21	2.187
22	2.271
23	1.864
24	2.062
25	2.146
26	2.229
27	1.730
28	1.730
29	1.730
30	1.730
31	1.812
32	1.812
33	2.146
34	2.229
35	1.773
36	1.773
37	1.773
38	1.773
39	1.864
40	1.864
41	2.187
42	2.271
43	2.073
44	2.177
45	2.073
46	2.177
47	1.864
48	1.864
49	.208
50	.208
51	.208
52	.208

<u>Marina Units</u>	<u>Percentage of Value</u>
53	.208
54	.208
55	.208
56	.208
57	.208
58	.208
59	.208
60	.208
61	.208
62	.208
63	.208
64	.208

(c) The method and formula used by Developer to determine the foregoing percentages was to apportion Percentage of Values based on the estimated initial offering prices of the Units with the resulting percentages reasonably adjusted to total precisely one hundred (100%) percent.

ARTICLE VII

EASEMENTS, RESTRICTIONS AND AGREEMENTS

The Condominium is subject to the following easements, restrictions and agreements:

(a) Developer reserves the right and power to grant easements over, or dedicate, portions of any of the Common Elements for utility, drainage, street, safety or construction purposes, and all persons acquiring any interest in the Condominium shall be deemed irrevocably to have appointed Developer and its successors as agent and attorney-in-fact to make such easements or dedications. After completion of construction of the Condominium, including any expansion thereof, the foregoing right and power may be exercised by the Association; and

(b) In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling, or moving of a building or structure, or due to survey errors or construction deviations, reconstruction or repair, reciprocal easements shall exist for the maintenance of such encroachment for as long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the land, structures, buildings, improvements and walls (including interior Unit walls) contained therein for the installation, maintenance and servicing of all utilities in the Condominium, including, but not limited to, lighting, heating, power, sewer, water and communications including telephone and cable television lines. There shall exist easements of support with respect to any Unit interior wall which supports a Common Element.

ARTICLE VIII

AMENDMENTS

This Master Deed and any Exhibit hereto may be amended as provided in the Act in the following manner:

- (a) Amendments may be made and recorded by Developer or by the Association;
- (b) If the amendment will materially change the rights of the Co-Owners or Mortgagees, then such amendment requires the written consent of not less than two-thirds (2/3) of the votes of the Co-Owners and Mortgagees of the Residential Units (unless a greater majority is specified in the Condominium Bylaws). A Mortgagee shall have one vote for each mortgage held. In addition to the foregoing voting requirement, if a proposed amendment will materially change the rights of the Co-Owners or Mortgagees of Marina Units, then such amendment must be approved by not less than two-thirds (2/3) of the votes of the Co-Owners and Mortgagees of the Marina Units. The Association may make no amendment which materially changes the rights of Developer without the written consent of the Developer as long as the Developer owns any Residential Units in the Condominium;
- (c) Notwithstanding subparagraph (b) above, but subject to the limitation of subparagraph (d) below Developer reserves the right to amend this Master Deed or any of its exhibits for any of the following purposes:
 - (1) To modify the locations, types and sizes of unsold Units and the General and/or Limited Common Elements adjoining or appurtenant to unsold Units;
 - (2) To amend the Condominium Bylaws, subject to any restrictions on amendments stated therein;
 - (3) To correct arithmetic errors, typographical errors, survey errors, or any similar errors in the Master Deed, Plan or Condominium Bylaws;
 - (4) To clarify or explain the provisions of the Master Deed or its exhibits;
 - (5) To comply with the Act or rules promulgated thereunder or with any requirements of any governmental or quasi-governmental agency or any financing institution providing or proposing to provide a mortgage on any Unit or to satisfy the title requirements of any title insurer insuring or proposing to insure title to any Unit; and
 - (6) To make, define or limit easements affecting the Condominium.
- (d) Notwithstanding any other provision of this Article VIII, the method of formula used to determine the Percentages of Value of Units in the Condominium, as described in Article VI hereof, and any provisions relating to the ability or terms under which a Co-Owner may rent a Unit, may not be modified without the consent of each affected Co-Owner and Mortgagee. A Co-Owner's Condominium Unit dimensions or appurtenant Limited Common Elements may not be modified without the Co-Owner's consent. The Association may make no amendment which materially

changes the rights of Developer without the written consent of Developer as long as Developer owns at least one Unit in the Condominium.

ARTICLE IX

RESTRICTION ON TRANSFER OF MARINA UNITS

No Co-Owner (other than initial sales by the Developer) shall convey title to any Marina Unit to any person other than a Co-Owner of a Residential Unit without first complying with the Right of First Refusal provisions set forth in the Bylaws.

ARTICLE X

CONVERTIBLE AREAS

(a) Certain areas adjacent to individual Units have been designated on the Condominium Subdivision Plan as Convertible Areas within which the Units and Common Elements may be modified as provided herein. The general common element parking spaces and the two general common element carports are convertible and may be assigned by the Developer as limited common elements appurtenant to particular Units. The Developer may retain any compensation paid for such assignment as part of the sale price of the Unit in question.

(b) The Developer reserves the right, in its sole discretion, during a period ending six years from the date of recording of this Master Deed to modify the size, location, design or elevation of Units and/or General or Limited Common Elements appurtenant or geographically proximate to such Units within the Convertible Areas designated for such purpose on the Condominium Subdivision Plan, so long as such modifications do not unreasonably impair or diminish the appearance of the Project or the view, privacy or other significant attribute or amenity of any unit which adjoins or is proximate to the modified Unit or Common Element.

(c) All improvements constructed within the Convertible Areas described above shall be reasonably compatible with the structures on other portions of the Condominium Project. No improvements, other than as above indicated, may be created on the Convertible Areas.

(d) Any such conversion shall be given effect by appropriate amendments to this Master Deed in the manner provided by law, which amendment shall be prepared by and at the discretion of the Developer.

(e) All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendments to this Master Deed as maybe proposed by the Developer to effectuate the purposes of this Article. All such interested persons irrevocably appoint the Developer as agent and attorney for the purpose of execution of such amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of rerecording the entire Master Deed or the Exhibits hereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto.

LIBER 28085 PAGE 581

IN WITNESS WHEREOF, Developer has caused this Master Deed to be executed the day and year first above written.

WITNESSES:

RIVERWOOD DEVELOPMENT, INC.,
a Michigan corporation

Geralyn Gorzynski
Geralyn Gorzynski

By: Michael D. Mans
MICHAEL D. MANS

Mardel Vaderna
Mardel Vaderna

Its: President

STATE OF MICHIGAN)
) ss
COUNTY OF WAYNE)

The foregoing instrument was acknowledged before me this 2th day of June, 1995, by MICHAEL D. MANS, the President of RIVERWOOD DEVELOPMENT, INC., a Michigan corporation.

Geralyn C. Gorzynski

Notary Public, Wayne County, MI

My Commission Expires: GERALYN C. GORZYSKI

Notary Public, Wayne County, MI
My Commission Expires Sept. 9, 1999

DRAFTED BY AND WHEN RECORDED RETURN TO:

Suzanne S. Reynolds
Drolet, Freeman, Preston, Cotton,
Sterling & Norris, P.C.
33 Bloomfield Hills Parkway, Suite 100
Bloomfield Hills, MI 48304-2945

mans@island.mt

ISLANDVIEW CONDOMINIUM**EXHIBIT A****BYLAWS****ARTICLE I****ASSOCIATION OF CO-OWNERS**

Islandview Condominium, a residential and marina condominium located in the City of Trenton, Wayne County, Michigan, shall be administered by an Association of Co-Owners which shall be a nonprofit corporation, herein referred to as the "Association," organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-Owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Co-Owner's Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium available at reasonable hours to Co-Owners, prospective purchasers and prospective mortgagees of Units in the Condominium. The Association, all Co-Owners in the Condominium and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents. All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

ARTICLE II**ASSESSMENTS**

The Association's levying of assessments against the Units and collection of such assessments from the Co-Owners in order to pay the expenses arising from the management, administration and operation of the Association shall be governed by the following provisions:

Section 1. Taxes Assessed on Personal Property Owned or Possessed in Common. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-Owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 2. Receipts and Expenditures Affecting Administration. Expenditures affecting administration of the Condominium shall include all costs incurred in satisfaction of any liability arising within, caused by or connected with the Common Elements or the administration of the Condominium. Receipts affecting administration of the Condominium shall include all sums received by the Association as proceeds of, or pursuant to, a policy of insurance securing the interests of the Co-Owners against liabilities or losses arising within, cause by or connected with the Common Elements or the administration of the Condominium.

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

(a) The Annual Budget and Regular Monthly Assessments. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. The budget shall separately allocate to the Residential Units and to the Marina Units expenses of operation, management and maintenance which may be peculiar to each type of Unit and the Limited Common Elements appurtenant thereto. The budget of expenses attributable only to the Marina Units must have the approval of a majority of Marina Unit co-owners prior to its adoption by the Board of Directors of the Association. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-Owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-Owner shall not affect or in any way diminish the liability of any Co-Owner for any existing or future assessments. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 5 below rather than by special assessments. Separate reserve funds shall be established and allocated toward the Marina Units (and their appurtenant Limited Common Elements), Residential Units (and their appurtenant Limited Common Elements) and the General Common Elements. At a minimum, the total of all reserve funds shall be equal to 10% of the Association's current annual budget (excluding that portion of the budget allocated to the reserve fund itself) on a non-cumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate, the Association should carefully analyze the Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. The Board of Directors shall annually consider the needs of the Condominium to determine if a greater amount should be set aside in reserve or if additional reserve funds should be established for any other purposes. The regular monthly Association assessments provided in this Article II, Section 3(a) shall be levied in the sole discretion of the Board of Directors;

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-Owners as hereinafter provided to meet other appropriate requirements of the Association. Special assessments referred to in this subparagraph (b) shall be levied only with the prior approval of more than 60% of all Co-Owners in number and in value. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

Section 4. Apportionment of Assessments. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-Owners to cover expenses of management, administration and operation of the Condominium shall be apportioned among and paid by the Co-Owners as follows:

All Association expenses incurred in connection with the General Common Elements shall be assessed against the Co-Owners according to their Percentages of Value.

All Association expenses incurred in connection with the Limited Common Elements appurtenant to the Residential Units shall be assessed equally against the Residential Units unless otherwise specified as being an expense attributable solely to the individual Residential Unit to which such Limited Common Element is appurtenant.

All Association expenses incurred in connection with the Limited Common Elements appurtenant to the Marina Units shall be assessed equally against the Marina Units unless otherwise specified as being an expense attributable solely to the individual Marina Unit to which such Limited Common Element is appurtenant.

Section 5. Payment of Assessments and Penalty for Default. Annual assessments as determined in accordance with Article II, Section 3(a) and 3(b) above shall be payable by Co-Owners in 12 equal monthly installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Each installment in default for ten (10) or more days shall bear interest from the initial due date thereof at the highest rate permitted by law until paid in full. Any assessment not paid within ten (10) days of its due date shall be subject to a late charge of \$25. The Board of Directors may adopt other uniform late charges pursuant to Section 10 of Article VI of these Bylaws. Each Co-Owner (whether 1 or more persons) shall be, and remain, personally liable for the payment of all assessments (including interest, late charges and costs of collection and enforcement of payment) levied against the Unit which may be levied while such Co-Owner is the owner thereof, except a land contract purchaser from any Co-Owner including the Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which, if applicable, such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest and other charges for late payment on such installments; and third, to installments in default in order of their due dates. A Co-Owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve, account or other asset of the Association.

Section 6. Effect of Waiver of Use or Abandonment of Unit. A Co-Owner's waiver of the use or enjoyment of any of the Common Elements or abandonment of the Co-Owner's Unit shall not exempt the Co-Owner from liability for the Co-Owner's contribution toward the expenses of administration.

Section 7. Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-Owner in the payment of any installment of the annual assessment levied against the Co-Owner's Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any utilities or other services to a Co-Owner in default upon seven (7) days' written notice to such Co-Owner of its intention to do so. A Co-Owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to and empowered to take possession of the Unit (if the Unit is not occupied by the Co-Owner) and to lease the Unit and collect and apply the rental therefrom. All of these remedies shall be cumulative and not alternative;

(b) Foreclosure Proceedings. Each Co-Owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the statutory lien that secures payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-Owner and every other person who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or 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 Michigan law. The Association, acting on behalf of all Co-Owners, may bid at the foreclosure sale, and acquire, hold, lease, mortgage, or convey the Unit sold;

(c) Notice of Action. The Association may not commence proceedings to foreclose a lien for unpaid assessments without recording and serving a notice of lien in the following manner:

(i) The notice of lien shall set forth the legal description of the Condominium Unit or Units to which the lien attaches, the name of the Co-Owner of record thereof, the amount due the Association as of the date of the notice, exclusive of interest, costs, attorneys' fees and future assessments;

(ii) The notice of lien shall be in recordable form, executed by an authorized representative of the Association, and may contain such other information as the Association deems appropriate;

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

(d) Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, plus any late charges, shall be chargeable to the Co-Owner in default and shall be secured by the lien on the Unit.

Section 8. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, if the mortgagee of a first mortgage of record or other purchaser of a Condominium Unit obtains title to the Condominium Unit as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the Association chargeable to the Unit which became due prior to the acquisition of title to the Unit by such person and the expiration of the period of redemption from such foreclosure. The unpaid assessments are deemed to be common expenses collectible from all of the Condominium Unit Co-Owners including such persons, its successors and assigns.

Section 9. Developer's Responsibility for Assessments. Notwithstanding any other provisions of the Condominium Documents to the contrary, the Developer shall not pay regular monthly Association assessments for Units which are owned by the Developer but unoccupied, but shall only reimburse the Association for actual expenses incurred by the Association which are reasonably allocable to such Units. Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs.

Section 10. Unpaid Assessments Due on Unit Sale; Statement of Unpaid Assessments. Upon the sale or conveyance of a Condominium Unit, all unpaid assessments against the Condominium Unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision thereof for taxes or special assessments due and unpaid on the Unit and (b) payments due under first mortgages having priority thereto. A purchaser of a Condominium Unit is entitled to a written statement from the Association setting forth the amount of unpaid assessments outstanding against the Unit and the purchaser is not liable for any unpaid assessment in excess of the amount set forth in such written statement, nor shall the Unit be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five days before the sale, or to pay unpaid assessments against the Unit at the closing of the Unit purchase if such a statement was requested, shall be liable for any unpaid assessments against the Unit together with interest, costs and attorneys' fees incurred in connection with the collection thereof.

Section 11. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 12. Construction Liens. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.2

ARTICLE III

JUDICIAL ACTIONS AND CLAIMS

Actions on behalf of and against the Co-Owners shall be brought in the name of the Association. The Association may assert, defend or settle claims on behalf of all Co-Owners in connection with the Common Elements of the Condominium. The commencement of any such civil action (other than one to enforce or collect delinquent assessments) shall require the approval of a majority in value of the Co-Owners.

ARTICLE IV

INSURANCE

Section 1. Extent of Coverage. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements, and such other insurance as the Board of Directors deems advisable, and all such insurance shall be carried and administered in accordance with the following provisions:

(a) Responsibilities of Co-Owners and Association. All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-Owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-Owners. Co-Owners may obtain additional insurance upon their Units, at their own expense, in addition to the coverage carried by the Association. It shall be each Co-Owner's responsibility to obtain insurance coverage for personal property located within a Unit or elsewhere in the Condominium and for personal liability for occurrences within a Unit or upon Limited Common Elements appurtenant to a Unit and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverage. The Association and all Co-Owners shall use their best efforts to obtain property and liability insurance containing appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-Owner or the Association;

(b) Amount of Insurance on Common Elements. All Common Elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the appropriate percentage of maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall also include interior walls within any Residential Unit and the pipes, wires, conduits and ducts contained therein and shall further include all fixtures, equipment and trim within a Residential Unit which were furnished by Developer with the Unit, or replacements of such improvements made by a Co-Owner within a Residential Unit. Any other improvements made by a Co-Owner within a Residential Unit shall be covered by insurance obtained by and at the expense of said Co-Owner; provided that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto may be assessed to and borne solely by said Co-Owner and collected as part of the assessments against said Co-Owner under Article II hereof;

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

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

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

Section 3. Marina Unit Owners Contribution to Insurance. Notwithstanding the foregoing, the share of insurance expense attributable to the Marina Units shall not include the costs of insurance of the residential buildings.

ARTICLE V

RECONSTRUCTION OR REPAIR

Section 1. Reconstruction or Repair Unless Unanimous Vote to the Contrary. If any part of the Condominium shall be partially or completely destroyed, it shall be reconstructed or repaired unless it is determined by all Co-Owners and first mortgagees that the Condominium shall be terminated.

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

Section 3. Responsibility for Reconstruction and Repair. If the damage is only to a part of a Residential Unit which is the responsibility of a Co-Owner to maintain and repair, it shall be the responsibility of the Co-Owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

Section 4. Damage to Part of Unit Which a Co-Owner Has the Responsibility to Repair. Each Co-Owner shall be responsible for the reconstruction and repair of the interior of the Co-Owner's Residential Unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any Common Elements therein), interior trim, furniture, light fixtures and all appliances, whether free standing or built-in. In the event damage to any of the foregoing, or to interior walls within a Co-Owner's Unit or to pipes, wires, conduits, ducts or other Common Elements therein is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5 of this Article. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-Owner, the Co-Owner shall be entitled to receive the proceeds of insurance relative thereto, and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-Owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any Unit in the Condominium.

Section 5. Association Responsibility for Reconstruction and Repair. The Association shall be responsible for the reconstruction and repair of the Common Elements (except as specifically otherwise provided in the Master Deed) and any incidental damage to a Unit caused by such Common Elements or the reconstruction and repair thereof (subject to the expenses therefore being assessed in accordance with the provisions of Article II, Section 4 above. Immediately after a casualty causing damage to property for which the Association has the responsibility of repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the repayment of the costs thereof are insufficient, assessments shall be made against all Co-Owners for General Common Elements and against applicable Co-Owners for Limited Common Elements for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation. Assessments pursuant to this Article V, Section 5 may be made by the Association without a vote of the Co-Owners.

Section 6. Timely Reconstruction and Repair. Subject to Section 1 of this Article V, if damage to Common Elements or a Unit adversely affects the appearance of the Condominium, the Association or Co-Owner responsible for the reconstruction and repair thereof shall proceed with replacement of the damaged property without delay.

Section 7. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

- (a) The provisions of Section 133 of the Condominium Act of Michigan shall apply;
- (b) In the event the Condominium continues after a taking by eminent domain, the remaining portion of the Condominium shall be re-surveyed and the Master Deed amended accordingly by the Association;
- (c) In the event any Unit in the Condominium, or any portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent

domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 8. Notices of Certain Mortgages. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), or in the event any mortgage is held by or insured by the United States Department of Housing and Urban Development ("HUD"), the Association shall give FHLMC and HUD written notice at such address as it may from time to time direct of any loss to or taking of the Common Elements of the Condominium, or any loss to or taking of any Unit, or part thereof, if the loss or taking exceeds \$10,000 in amount.

Section 9. Priority of Mortgagees in Proceeds. Nothing contained in the Condominium Documents shall be construed to give a Co-Owner or any other party priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI

RESTRICTIONS

Section 1. Uses Permitted. No Residential Unit shall be used for other than residential purposes. No Marina Unit shall be used for any purpose other than the mooring of a single watercraft. No watercraft shall be moored within the Condominium other than in a Marina Unit and shall not be positioned in a manner which impairs the use of any other Marina Unit. The length of watercraft moored in Marina Units, including any projections, shall not exceed the length of the Marina Unit plus 6 feet. No Co-Owner shall carry on any commercial activities anywhere on the premises of the Condominium. Notwithstanding the foregoing, Developer may conduct any of the activities expressly described in the Master Deed or its Exhibits.

Section 2. Alterations and Modifications. No Co-Owner shall make alterations in exterior appearance or make structural modifications to any Residential Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, Limited or General, without the express written approval of the Board of Directors including but not limited to, exterior painting or the erection of antennas, lights, aerials, awnings, doors, shutters or other exterior attachments or modifications; nor shall any Co-Owner damage or make modifications or attachments to Common Element walls between Units which in any way impair sound conditioning qualities of the walls. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium.

Section 3. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-Owners of the Condominium, nor shall any unreasonably noisy activity occur in or on the Common Elements or within any Unit at any time. No Co-Owner shall do or permit anything to be done or keep or permit to be kept in the Co-Owner's Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-Owner shall pay to the Association the increased cost of insurance premiums

resulting from any such activity or the maintenance of any such condition even if approved, which increased cost may be assessed to and collected from the Co-Owner in the manner provided in Article II hereof.

Section 4. Animals or Pets. No animals shall be maintained by any Co-owner unless specifically approved in writing by the Association. In granting such approval, the Association shall be guided by the type, size, weight and disposition of the animal. It is not the intent of this restriction to bar Co-owners from owning cats and dogs, but to responsibly control the pet situation in light of all of the circumstances of the Project. Any pets kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the Common Elements, and any animal shall at all times be attended by a responsible person while on the Common Elements. All Co-Owners must curb their animals and immediately clean up any waste left on the Common Elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property. The term "animal or pet" as used in this Section shall not include small birds or fish. All pets must be registered with the Board of Directors of the Association.

Section 5. Aesthetics. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the Master Deed or in duly adopted rules and regulations of the Association. All rubbish, trash, garbage and other waste shall be regularly removed from each Unit and deposited in the dumpsters located on the Common Elements and shall not be allowed to accumulate therein. Unless special areas are designated by the Association, trash receptacles shall not be permitted on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The Common Elements shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics. Automobiles may only be washed in areas approved by the Board of Directors. In general, no activity shall be carried on nor condition maintained by a Co-Owner, either in a Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 6. Common Elements. The Common Elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No Co-Owner may leave personal property of any description (including by way of example and not limitation bicycles, vehicles, chairs and benches) unattended on or about the Common Elements. Use of all Common Elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations.

Section 7. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, jet skies, motorcycles, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, recreational vehicles or vehicles other than automobiles may be parked or stored upon the Common Elements, unless parked in an area, if any, specifically designated therefor by the Board of Directors.

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

Section 9. Signs and Advertising. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, without written permission from the Board of Directors.

Section 10. Rules and Regulations. Reasonable regulations consistent with all laws and the Condominium Documents concerning the use of the Common Elements or the rights and responsibilities of the Co-Owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium 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 thereto shall be furnished to all Co-Owners or posted on a General Common Element. Any such regulation or amendment may be revoked at any time by the affirmative vote of a majority of the Co-Owners.

Section 11. Association's Right of Access. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-Owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agent shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-Owner to provide the Association means of access to the Co-Owner's Unit and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-Owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-Owner for any necessary damage to any Unit or any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of such damage. Subject to the foregoing and other provisions in the Master Deed and these Bylaws, each Co-Owner shall be entitled to exclusive occupancy and control over the Co-Owner's Unit and all Limited Common Elements appurtenant thereto.

Section 12. Landscaping. No Co-Owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Board of Directors in writing or unless permitted by the Master Deed or the regulations of the Association.

Section 13. Common Element Maintenance. No unsightly condition shall be maintained upon any balcony, patio or porch and only furniture and equipment consistent with ordinary balcony, patio or porch use shall be permitted to remain there during seasons when the same are reasonably in use and no furniture or equipment of any kind shall be stored on balconies, patios or porches during seasons when the same are not reasonably in use.

Section 14. Co-Owner Maintenance. Each Co-Owner shall maintain the Unit owned and any Limited Common Elements appurtenant thereto for which the Co-Owner has maintenance responsibility in a safe, clean and sanitary condition. Each Co-Owner shall also use due care to avoid damaging any of the Common Elements including but not limited to the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other unit. Each Co-Owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by the Co-Owner or the Co-Owner's family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility, unless reimbursement to

the Association is excluded by virtue of a deductible provision, in which case the responsible Co-Owner shall bear the expense to the extent of the deductible amount. Any costs or damages to the Association may be assessed to and collected from the responsible Co-Owner in the manner provided in Article II hereof.

Section 15. Reserved Rights of Developer.

(a) Prior Approval by Developer. So long as Developer owns and offers for sale at least one Unit in the Condominium, no buildings, fences, walls, retaining walls, drives, walks or other structures or improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alteration to any structure be made (including in color or design), except interior alterations which do not affect structural elements or any Residential Unit, nor shall any hedges, trees or substantial plantings or landscaping modifications be made, until plans and specifications, acceptable to the color, scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by Developer, its successors or assigns, and a copy of said plans and specifications, grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans, specifications, grading or landscaping, it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to effect the same, and the degree of harmony thereof with the Condominium as a whole in order to assure the continued maintenance of the Condominium as a beautiful and harmonious residential and marina development;

(b) Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards of the Developer with respect to unoccupied Units owned by the Developer, or of the Association in furtherance of its powers and purposes. Notwithstanding anything to the contrary elsewhere herein contained, until all Units in the Condominium are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Condominium as may be reasonable to enable development and sale of the entire Condominium by the Developer;

(c) Enforcement of Bylaws. The Condominium shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private residential community for the benefit of the Co-Owners and all persons having interests in the Condominium, and the Developer and its successors and assigns. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. Without limiting the generality of the foregoing, the exterior of all structures or improvements located in the Condominium which are painted or stained shall be repainted or stained at least once within any period of five (5) consecutive years, shall be regularly maintained and repaired, and when necessary, replaced with components and structures of comparable kind and quality. The Developer shall have the right to enforce these Bylaws, which right of enforcement shall include without limitation an action to restrain the Association or any Co-Owner from any activity prohibited by these Bylaws.

Section 16. Leasing and Rental. Co-Owners, including Developer, may rent any number of Units at any time for any term of occupancy not less than six months subject to the following:

(a) Disclosure of Lease Terms to Association. A Co-Owner, including the Developer, desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form 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 compliance with the Condominium Documents. If Developer desires to rent Units before the Transitional Control Date, it shall notify either the Advisory Committee or each Co-Owner in writing;

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

(c) Procedures in the Event of Non-Compliance With Condominium Documents. If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action;

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

(ii) The Co-Owner shall have fifteen (15) days (or such additional time as may be granted by the Association if the Co-Owner is diligently proceeding to cure) after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred;

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

(d) Notice to Co-Owner's Tenant Permitted Where Co-Owner is in Arrears to the Association for Assessments. When a Co-Owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-Owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-Owner the arrearage and future assessments as they fall due and pay them to the Association. Any such deduction shall not constitute a breach of the rental agreement or lease by the tenant;

Section 17. Additional Restrictions on the Use of Marina Units.

(a) Each Marina Unit shall be used solely and exclusively for the purpose of mooring a single noncommercial seaworthy pleasure boat. No wood constructed boats older than three (3) years old may be moored in a Marina Unit. For purposes hereof, a noncommercial pleasure boat shall mean a boat not offered for charter or for carrying cargo or passengers for hire on a regular basis. Seaworthy

shall mean a boat duly licensed and/or registered by all necessary local, state and federal agencies which is equipped and operable in accordance with U.S. Coast Guard regulations except during such periods, not to exceed fourteen (14) consecutive days, as the same may be awaiting or undergoing repairs;

(b) Overnight occupancy of Marina Units is prohibited.

(c) No Marina Unit shall be used, directly or indirectly, on a regular basis for business or commercial purposes, including, specifically, but not limited to, the renting or chartering of fishing craft or the providing of fishing excursions to the public, the giving or providing of freight or passenger transportation, tours, excursions or other boat rides to the public, or the renting or chartering of pleasure boats to the public; provided, however, that the foregoing shall not be deemed or construed in any manner as prohibiting or restricting the right of the Developer and its successors and assigns to lease unsold Marina Units or the rights of Co-Owners other than Developer to lease their Units as permitted by these Bylaws;

(d) Boats shall be anchored or moored only in Marina Units and no boat shall be moored or anchored elsewhere in the waters of the Condominium or in the Detroit River, and nothing shall be built or placed, either temporarily or permanently, in the waters of the Condominium which would obstruct or tend to obstruct the navigation thereof; provided, however, that the foregoing shall not be deemed or construed as prohibiting or restricting the use of dredging and construction boats, barges and equipment used in conjunction with performing needed maintenance, repair, replacement or improvement of the Condominium;

(e) No boat fueling or launching shall take place within the Condominium, except at such fueling and launching facilities, if any, as may from time to time be located within the Condominium;

(f) No recreational swimming or diving shall be permitted in any waters of the Condominium, including that contained within Marina Units;

(g) No carpeting or other materials may be attached to the Board Walk, Finger Piers, pilings or spring boards without prior written permission of the Association.

(h) No waste, trash or sewage of any kind shall be deposited or discharged into any waters of the Condominium, including that contained within Marina Units, or into the waters of the Detroit River;

(i) No pumping out of sanitary waste from boats shall take place within the Condominium except through the use of such means and methods as shall have been, and from time to time be, approved in advance by the Association and the Developer and its successors and assigns;

(j) No boat shall be permitted to occupy any Marina Unit in the Condominium during the period commencing on December 15 of each year and ending on March 15 of each succeeding year, unless the prior written approval of the Association is obtained. The Association shall be entitled to remove and store any boat occupying any Marina Unit during such period at the sole cost and expense of the owner thereof and shall not be liable to such owner for any loss or damage to such owner's boat as a result of any such removal or storage;

(k) All boats having motors shall have mufflers and measured at a range of fifty (50) feet shall produce no more than eighty-six (86) decibels of noise on the "A" scale, or such lesser amount as may be from time to time established by law;

(l) Any boat sunk in any waters of the Condominium, including that contained in any Marina Unit, shall be removed by the owner of such boat within twelve (12) hours of sinking. In the event any sunk boat is not so removed by the owner, (i) the Developer or its successors and assigns and/or (ii), if applicable, the Association, may, at their option, cause such boat to be removed at the sole cost and expense of the owner;

(m) No maintenance, repair or installation work shall be performed on any boat in the Condominium except to the extent that such work can be performed solely from within the boat or from within the Marina Unit occupied by the boat without the need for hoists, jacks, compressors, engines, booms, lifts or other similar or heavy equipment, and without the need for placing any equipment, tools or parts on any Common Element (it being the intent and purpose hereof to only permit within the Condominium such ordinary and usual maintenance, repair and installation work as an ordinary individual might typically perform on his or her own boat with typical hand tools). Without limiting the generality of the foregoing, no boat motor or engine shall be installed, replaced or overhauled within the Condominium (except that outboard motors may be installed or replaced as a unit), nor shall any maintenance, repair or service be performed which involves the removal of the motor. Maintenance and repair work shall be performed only between the hours of 8:00 a.m. and 8:00 p.m. No person shall be permitted to perform any work on any boat other than the owner or lessee thereof unless and until (A) the owner or lessee of the boat shall notify the Association or its management agent of (i) the nature of the work to be performed, (ii) the time that such work is likely to be performed and the probable duration thereof, and (iii) the identity of the person who will be performing such work, and (B) the person performing the work (i) registers his presence with the Association or its agent, (ii) executes any standard waiver and indemnification form which may be adopted by the Association, and (iii) submits insurance certificates or other evidence of insurance satisfactory to the Association or its management agent establishing that such person has such insurance in such amounts as the Association may from time to time require, but in no event less than worker's compensation insurance as required by law, if applicable, automobile liability insurance with limits on a per occurrence basis of \$1,000,000 for property damage and \$1,000,000 for bodily injury, and general liability insurance with limits on a per occurrence basis of \$1,000,000 for property and \$1,000,000 for bodily injury.

(n) Parking in the parking lot by tenants of Marina Units and their guests, except for short-term (less than one hour) parking to load or unload vehicles, shall be restricted to the parking area in the northwest corner of the lot, such area being labeled for such purpose on the Condominium Subdivision Plan.

Section 18. Right of First Refusal on Marina Units. No Co-owner may dispose of a Marina Unit or any interest therein by sale to anyone other than a Co-Owner of a Residential Unit without written approval of the Association, which approval shall be obtained in the manner hereinafter provided:

(a) A Co-owner intending to make a sale of a Marina Unit, or any interest therein, shall give written notice of such intention delivered to the Association at its registered office and shall furnish the name and address of the intended purchaser and such other information as the Association shall reasonably require. At the time of giving such notice, such Co-owner shall also furnish the Association copies of all instruments setting forth the terms and conditions of the proposed transaction.

The giving of such notice shall constitute a warranty and a representation by such Co-owner to the Association and to any purchaser produced by the Association that the Co-owner believes the proposed sale to be bona fide in all respects. The selling Co-owner shall be responsible to the Association for any damages suffered by it in exercise of its rights hereunder and, in the event any proposed sale is not bona fide, such damages shall include (but not be limited to) the difference between the price paid by the Association for the Marina Unit and the fair market value thereof.

(b) Within 14 days after receipt of such notice of intention to sell, the Association shall either approve the transaction or furnish a Residential Unit Co-Owner as purchaser or the Association itself as purchaser (and give notice thereof to the selling Co-Owner) who will immediately execute a contract of sale upon terms as favorable to the selling Co-Owner as the terms furnished with the notice. A purchaser furnished by the Association shall have not less than 30 days subsequent to the date of his approval by the Association within which to close the transaction. A selling Co-Owner shall be bound to consummate the transaction with such Residential Unit Co-owner as purchaser as may be approved and furnished by the Association. The approval of the Association shall be in recordable form, signed by any authorized officer of the Association, and shall be delivered to the purchaser. Failure of the Association to either approve such sale or to furnish an appropriate substitute purchaser within such 14-day period for any reason whatsoever shall be deemed to constitute approval, following which the Association shall, nevertheless, prepare and deliver written approval in recordable form.

(c) In the event a sale is consummated between a Co-Owner and any proposed purchaser upon any basis other than as disclosed to the Association, the Association shall then have the same right to disapprove the transaction and to furnish a Residential Unit Co-Owner purchaser satisfactory to it as are expressed above, which rights shall expire 14 days after the directors of the Association receive knowledge at a directors' meeting of the actual terms of the transaction or 1 year after consummation of the original transaction, whichever occurs first.

(d) This Section shall not apply to a public or private sale held pursuant to foreclosure of a first mortgage on any Marina Unit in the Project; nor shall this Section apply to any subsequent sale by any holder of a first mortgage on any Marina Unit in the Project which obtained title to the Marina Unit covered by such mortgage pursuant to the remedies provided in the mortgage, foreclosure of the mortgage or deed (or assignment) in lieu of foreclosure.

(e) The Developer shall not be subject to this Section in the sale of any Unit following establishment of the Condominium.

ARTICLE VII

MORTGAGES

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

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

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

ARTICLE VIII

VOTING

Section 1. Vote. Except as limited in these Bylaws, each Co-Owner shall be entitled to one vote for each Condominium Unit owned when voting by number and one vote, the value of which shall equal the Percentage of Value percentage allocated to the Units owned by such Co-Owner as set forth in the Master Deed, when voting by value. Voting shall be by value unless otherwise expressly required by the Condominium Documents or by law.

Section 2. Eligibility to Vote. No Co-Owner, other than the Developer, shall be entitled to vote at any meeting of the Association until the Co-Owner has presented evidence of ownership of a Unit in the Condominium to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Co-Owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Co-Owner may be cast only by the individual representative designated by such Co-Owner in the notice required in Section 3 of this Article VIII or by a proxy given by such individual representative.

Section 3. Designation of Voting Representative. Each Co-Owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-Owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-Owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-Owner. Such notice shall be signed and dated by the Co-Owner. The individual representative designated may be changed by the Co-Owner at any time by filing a new notice in the manner herein provided. At any meeting the filing of such written notice as a prerequisite to voting may be waived by the chairman of the meeting.

Section 4. Annual Meeting. There shall be an annual meeting of the Co-Owners commencing with the First Annual Meeting held as provided in Article IX, Section 2 hereof. Other meetings shall be held as provided for in Article IX hereof. Notice of the time, place and subject matter of all meetings shall be given by mailing the same to each individual representative designated by the respective Co-Owners.

Section 5. Quorum. The presence in person or by proxy of more than one-half (1/2) in value of the Co-Owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents

calendar year following the year in which the First Annual Meeting is held) at such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-Owners a Board of Directors in accordance with the requirements of these Bylaws. The Co-Owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-Owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the Co-Owners presented to the Secretary of the Association, but only after the First Annual Meeting has been held. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-Owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-Owner at the address shown in the notice required by Article VIII, Section 3 of these Bylaws to be filed with the Association shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 6. Adjournment. If any meeting of Co-Owners cannot be held because a quorum is not in attendance, the Co-Owners who are present may adjourn the meeting to a time not less than ten (10) days from the time the original meeting was called, and notice of the meeting shall be provided as set forth in Section 5 of this Article IX.

Section 7. Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) determination of whether quorum is present; (c) proof of notice of meeting or waiver of notice; (d) reading of minutes of preceding meeting; (e) reports of officers; (f) reports of committees; (g) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers); (h) election of Directors (at annual meeting or special meetings held for such purpose); (i) unfinished business; and (j) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary and Treasurer.

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 of this Article IX for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of votes or total percentage of approvals which equals or exceeds the number of votes or percentage of approvals which would be

to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting such person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 6. Voting. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 7. Majority. Unless otherwise required by law or by the Condominium Documents, any action which could be authorized at a meeting of the members shall be authorized by an affirmative vote of more than fifty (50%) percent in value. The foregoing statement and any other provision of the Master Deed or these Bylaws requiring the approval of a majority (or other stated percentage) of the members shall be construed to mean, unless otherwise specifically stated, a majority (or other stated percentage) in value of the votes cast by those Unit owners who are qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the Co-Owners duly called and held.

Section 8. Marina Units. Notwithstanding any other provision of the Condominium Documents, if the subject matter of any vote affects solely the interests of the Marina Unit owners then voting shall be limited to the class of Marina Unit owners. In such voting by class, majority and quorum requirements shall be applied only with respect to the voting rights of the Marina Unit owners.

ARTICLE IX

MEETINGS

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-Owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer. The First Annual Meeting may be called at any time in the Developer's discretion after the first conveyance of legal or equitable title of a Unit in the Condominium to a non-developer Co-Owner. As provided in Article XI, Section 2 hereof, the First Annual Meeting shall be held on or before one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer Co-Owners of seventy-five (75) in number of the Units that may be created in the Condominium or fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Co-Owner of a Unit in the Condominium, whichever first occurs. The Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each Co-Owner.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held on the third Tuesday of March each succeeding year (commencing the third Tuesday of March of the

required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

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

ARTICLE X

ADVISORY COMMITTEE

An advisory committee of non-developer Co-Owners shall be established either one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-Owners of one-third (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 Condominium, whichever occurs first. The advisory committee shall meet with the Board of Directors for the purpose of facilitating communication and aiding the transition of control to the association of Co-Owner. The advisory committee shall cease to exist when a majority of the Board of Directors of the Association is elected by the non-developer Co-Owners.

ARTICLE XI

BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors shall consist of five members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. At all times at least one Director shall be a Marina Unit Co-owner. Directors shall serve without compensation. After the First Annual Meeting, the number of directors may be increased or decreased by action of the Board of Directors, provided that the Board of Directors shall be comprised of at least five members.

Section 2. Election of Directors.

(a) First Board of Directors. The first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-developer Co-Owners to the Board. Elections for non-developer Co-Owner directors shall be held as provided in subsections (b) and (c) below;

(b) Appointment of Non-Developer Co-Owners to Board Prior to First Annual Meeting. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-Owners of twenty-five (25%) percent of the Units, at least one director and not less than twenty-five (25%) percent of the Board of Directors shall be elected by non-developer Co-Owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-Owners of fifty (50%) percent of the Units, not less than thirty-three and one-third (33 1/3%) percent of the Board of Directors shall be elected by non-developer Co-Owners. When the required percentage of conveyances has been reached, the Developer shall notify the non-developer Co-Owners and request

that they hold a meeting and elect the required director. Upon certification by the Co-Owners to the Developer of the director so elected, the Developer shall then immediately appoint such director to the Board to serve until the First Annual Meeting of members unless the director is removed pursuant to Section 7 of this Article or the director resigns or becomes incapacitated;

(c) Election of Directors at and After First Annual Meeting.

(i) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-Owners of seventy-five (75%) percent of the Units, and before conveyance of ninety (90%) percent of such Units, the First Annual Meeting shall be called and the non-developer Co-Owners shall elect all directors on the Board of Directors, except that the Developer shall have the right to designate at least one director as long as the Developer owns and offers for sale at least ten (10%) percent of the Units in the Condominium;

(ii) Notwithstanding the formula provided in subsection (i), 54 months after the first conveyance of legal or equitable title to a non-developer Co-Owner of a Unit in the Condominium, if title to at least seventy-five (75%) percent of the Units has not been conveyed to non-developer Co-Owners, the First Annual Meeting shall be called and the non-developer Co-Owners shall have the right to elect as provided in the Condominium Documents, a number of members of the Board of Directors equal to the percentage of Units they hold, and the Developer has the right to elect, as provided in the Condominium Documents, a number of members of the board equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (i). Application of this subsection does not require a change in the size of the board as determined in the Condominium Documents;

(iii) If the calculation of the percentage of members of the Board of Directors that the non-developer Co-Owners have the right to elect under this Section 2, or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-developer Co-Owners under this Section 2 results in a right of non-developer Co-Owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-developer Co-Owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate one director as provided in subsection (i) of this Section 2(c);

(iv) At the First Annual Meeting one-half (1/2) of the directors (rounded up if fractional) shall be elected for a term of two years and the remaining directors shall be elected for a term of one year. At such meeting, all nominees shall stand for election as one slate and the number of persons equal to one-half of the number of directors (rounded up if fractional) who receive the highest number of votes shall be elected for terms of two years and the number of persons equal to the remaining directors to be elected who receive the next highest number of votes shall be elected for terms of one year. After the First Annual Meeting, the term of office (except for directors elected at the First Annual Meeting for one year terms) of each director shall be two years. The directors shall hold office until their successors have been elected and hold their first meeting;

(v) Once the Co-Owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-Owners to elect directors and conduct other business shall be held in accordance with the provisions of Article IX, Section 3 hereof;

(vi) As used in this section, the term "Units that may be created" means the maximum number of Units which may be included in the Condominium in accordance with any limitation stated in the Master Deed or imposed by law.

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things necessary thereto subject always to the Condominium Documents and applicable law.

Section 4. Other Duties. In addition to the foregoing duties imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:

- (a) To manage and administer the affairs of and to maintain the Condominium and the Common Elements thereof;
- (b) To levy and collect assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association;
- (c) To carry insurance and collect and allocate the proceeds thereof;
- (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium;
- (f) To own, maintain, improve, operate and manage, and to buy, sell, convey, assign, mortgage or lease (as landlord or tenant) any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association;
- (g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on the property owned by the Association;
- (h) To make rules and regulations in accordance with Article VI, Section 10 of these Bylaws;
- (i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board;
- (j) To enforce the provisions of the Condominium Documents.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract with a professional management agent, or any other contract providing for services by the Developer, in which the maximum term is greater than 3 years or which is not terminable by the Association upon ninety (90) days' written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

Section 6. Vacancies. Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a director by the vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any director whom it is permitted in the first instance to designate. Each person so elected shall be a director until a successor is elected at the next annual meeting of the members of the Association. Vacancies among non-developer Co-Owner elected directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Co-Owners and shall be filled in the manner specified in Section 2(b) of this Article.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the directors may be removed with or without cause by the affirmative vote of more than fifty (50%) percent in number and in value of all of the Co-Owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal quorum set forth in Article VIII, Section 5. Any director whose removal has been proposed by the Co-Owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the directors selected by it at any time or from time to time in its sole discretion. Likewise, any director selected by the non-developer Co-Owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of directors generally.

Section 8. First Meeting. The First meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

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

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days' notice to each director given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of

Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two directors.

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

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

Section 13. First Board of Directors. All of the actions (including, without limitation, the adoption of these Bylaws and any Rules and Regulations for the Association, and any undertaking or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association named in its Articles of Incorporation or any successors thereto appointed before the First Annual Meeting of Co-Owners shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Co-Owners.

Section 14. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE XII

OFFICERS

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

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

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

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

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

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

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and the officer's successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

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

ARTICLE XIII

SEAL

The Board of Directors may adopt a seal on behalf of the Association which shall have inscribed thereon the name of the Association, the words "corporate seal," and "Michigan."

ARTICLE XIV

FINANCE

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-Owners. Such accounts and all other Association records shall be open for inspection by the Co-Owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-Owner at least once a year a financial statement, the contents of which shall be defined by the

Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

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

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

ARTICLE XV

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and amounts paid in settlement, incurred by or imposed upon him in connection with any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except as otherwise prohibited by law; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Association (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten days prior to payment of any indemnification which it has approved, the Association shall notify all Co-owners thereof. Further, the Association is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

ARTICLE XVI

AMENDMENTS

These Bylaws may be amended by the Association or by the Developer in the manner provided in the Master Deed. Any amendment to these Bylaws shall become effective upon recordation in the office of the register of deeds in the county in which the Condominium is located. A copy of each

amendment to these Bylaws shall be made available to every member of the Association after adoption; provided, however, that any amendment adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium irrespective of which such persons actually receive a copy of the amendment. These Bylaws may not be amended in any manner to eliminate or conflict with any mandatory provision of the Act or any applicable law or any provision of the Master Deed; nor may they be amended to materially reduce or eliminate the rights of any first mortgagees without the consent of the mortgagees affected.

ARTICLE XVII

COMPLIANCE

The Association and all present or future Co-Owners, tenants, future tenants, or any other persons acquiring an interest in or using the Condominium in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry upon the Condominium shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern.

ARTICLE XVIII

REMEDIES

Section 1. Default by a Co-Owner. Any default by a Co-Owner shall entitle the Association or another Co-Owner or Co-Owners to the following relief:

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

(b) 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 attorneys' fees (not limited to statutory fees) as may be determined by the court. In no event shall any Co-Owner be entitled to recover such attorneys' fees.

Section 2. No Waiver. The failure of the Association or of any Co-Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-Owner to enforce such right, provision, covenant or condition in the future.

Section 3. 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 cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising

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

Section 4. Enforcement of Provisions of Condominium Documents. A Co-Owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the 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 Condominium Documents or the Act.

ARTICLE XIX

ARBITRATION

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

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

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

ARTICLE XX

SEVERABILITY

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

EXAMINED AND APPROVED
DATE MAY 01 2007
BY slm/SIK N/C
NORMAN C. DUPLIE
PLAT ENGINEER

**SECOND AMENDMENT TO THE BYLAWS OF
ISLANDVIEW CONDOMINIUM ASSOCIATION**

THESE AMENDMENTS are made this 20th day of March, 2007, by Islandview Condominium Association, a Michigan condominium association ("Declarant")

Whereas, the Declarant is the Association which administers, operates, manages and maintains the condominiums established by the Master Deed on file with the parcel of land in the City of Trenton, Wayne County, Michigan as recorded as Liber 28085, pages 571-617, Condo Plan #390, and described as follows: THE FIRST AMENDMENT HAVING BEEN RECORDED ON MARCH 1, 2000 REGISTRATION NUMBER 2000087950 AS RECORDED AS LIBER 44103, PAGES 57-61, PLAT NUMBER 51592.

Lots 117 to 120, inclusive, Assessor's Trenton Plat No. 2 of blocks E,F,J,K, U and V of Plat of the Village of Trenton and Parkview Subdivision except Lots 20 to 35 incl.; being part of the S. frac. ½ of frac. Sec. 18, T. 4 S., R. 11E., Village (now City) of Trenton, Wayne County, Michigan, as recorded in Liber 66 of Plats, Page 29, Wayne County Records being more particularly described as beginning at the intersection of the easterly line of Riverside Drive, 82.50 feet wide, and the northerly line of Cherry Street 82.50 feet wide, and proceeding thence along said easterly line N. 09 degrees 31'00" E. 259.98 feet; thence S. 79 degrees 07'20" E. 207.80 feet; thence S. 80 degrees 27'40" E. 272.94 feet to the U.S. Harbor line; thence along said Harbor line S. 13 degrees 22'23" W. 255.70 feet (recorded as 255.72') to the northerly line of Cherry Street; thence along said northerly line N. 80 degrees 27'40" W. 463.48 feet (recorded as 463.50 feet) to the point of the beginning, containing 2.78 acres, more or less.

Now Therefore, the Association hereby makes the following Amendment to the Bylaws for the purpose of specifically allowing construction of boat lifts provided Board approval is obtained prior to construction:

1. The Association hereby amends Section 17(j), of Article VI of the Islandview Condominium Bylaws entitled Additional Restrictions on the Use of Marina Units to add the following sentence at the end of the paragraph:

"However, if a boat lift has been approved for construction by the Board of the Association, then an individual owner of a Marina Unit shall be allowed to occupy a Marina Unit during the period commencing on December 15 of each year and ending on

WAYNE COUNTY TREASURER
LM 5-7-07

05-01-2007 11EL1050

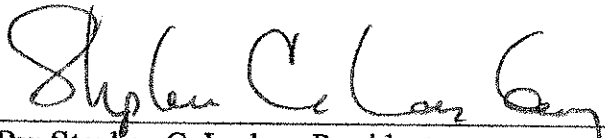
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3.00


March 15 of each succeeding year."

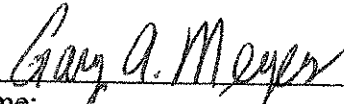
In Witness Whereof, the Declarant has caused this Amendment to be executed by its principal officer as of the date first written above.

Islandview Condominium Association


By: Stephen C. Laskey, President

Witnesses:


Name: RICK MANNING


Name: GARY A. MEYERS


Drafted by: David A. Den Houten, 2465 Riverside Drive #214, Trenton, MI 48183

When recorded, please return to David A. DenHouten,, 2465 Riverside Drive #214, Trenton, MI 48183

State of Michigan
County of Wayne

I, the undersigned, a Notary Public in and of the jurisdiction aforesaid, do hereby certify that Stephen C. Laskey, President of Islandview Condominium Association, whose name is signed to the foregoing instrument, has acknowledged the same before me in the aforesaid jurisdiction as an officer of the Association.

Given under my hand and seal this 27 day of March, 2007.


Notary Public
My Commission Expires: July 16, 2012

DEBRA E. ZYWICA
Notary Public, State of Michigan
County of Wayne
My Commission Expires Jul. 16, 2012
Acting in the County of Wayne