

STATE OF MICHIGAN
GRAND TRAVERSE COUNTY
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Parcel # 28-05-014-109-00 BK
 STATE OF MICHIGAN, County of Grand Traverse, at Traverse City, I hereby
 certify that there are no Tax liens or Titles held by the State of any individual against the within
 description, and all taxes on same are paid for five years previous to the date of the instrument as appears
 by the records in my office. This does not cover taxes in the process of collection by
 Township, City or Village 4-27-2001 Grand Traverse County, Treasurer
T. Halverson

307435

PEGGY HAINES
REGISTER OF DEEDSMASTER DEED

THIS MASTER DEED is made and executed on this 12 day of APRIL, 2001,
 by Neil Sosin and Nancy Sosin (the "Developer"), whose office is situated at 39000 Country Club
 Drive, Farmington Hills, Michigan 48331, in pursuance of the provisions of the Michigan
 Condominium Act, being Act 59 of the Public Acts of 1978, as amended (the "Act").

WHEREAS, the Developer desires by recording this Master Deed, together with the
 Condominium Bylaws attached hereto as Exhibit "A" and together with the Condominium Site
 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 2 below, together with the
 improvements located and to be located thereon, and the appurtenances thereto, as a commercial
 condominium project under the provisions of the Act.

NOW, THEREFORE, the Developer does, upon the recording hereof, establish Lake
 Pointe Office as a condominium project under the Act and does declare that Lake Pointe Office (the
 "Condominium," "Project" or "Condominium Project") shall, after its establishment, be held,
 conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner
 utilized, subject to the provisions of the Act and other applicable laws, and to the covenants,
 conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Master Deed
 and Exhibits "A" and "B" 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 Condominium Premises (defined below), their grantees, successors, heirs,
 executors, administrators and assigns. In furtherance of the establishment of the Condominium
 Project, it is provided as follows:

ARTICLE 1

TITLE AND NATURE

The Condominium Project shall be known as Lake Pointe Office Condominium
 Subdivision Plan No. 153 The Condominium Project is established in accordance with the Act.
 The Units (as further defined below) contained in the Condominium, including the number,
 boundaries, dimensions and area of each Unit are set forth completely in the Condominium Site
 Plan attached as Exhibit "B" hereto. Each Unit shall be a detached building site for commercial
 purposes or for any other purpose permissible under applicable zoning ordinances in effect from

time to time and is capable of utilization by the Co-Owner (defined below) on account of having its own entrance from and exit to a Common Element (defined below) of the Condominium Project. The Developer is under no obligation to construct any building or other improvements upon any Unit. Each Co-owner of the Condominium Project shall have an exclusive right to his or its Unit and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium Project as are designated by this Master Deed.

ARTICLE 2

LEGAL DESCRIPTION

2.1 The land which is submitted to the Condominium Project established by this Master Deed is situated in the Township of Garfield, County of Grand Traverse, State of Michigan and is particularly described as follows:

Part of the Northwest 1/4 of the Southwest 1/4 of Section 14, Town 27 North, Range 11 West, Garfield Township, Grand Traverse County, Michigan, more fully described as follows:

Commencing at the Southwest Corner of said Section 14; thence along the West Section Line, N 00°36'50" W, 1309.96 feet; thence S 89°50'59" E, (previously recorded as S 89°53'23" E) 830.45 feet; thence N 17°49'09" W, 179.93 feet; thence N 46°34'28" W, 49.57 feet along a traverse line along the shore of the Boardman River to the POINT OF BEGINNING; thence continuing along said traverse line, N 46°34'28" W, 592.22 feet to a point on a traverse line along the shore of Boardman Lake; thence along said traverse line for the next two courses, N 15°56'40" E, 229.12 feet; thence N 50°57'14" E, 51.50 feet; thence S 12°28'06" E, 167.69 feet; thence S 42°13'06" E, 60.00 feet; thence N 89°21'55" E, 279.99 feet; thence N 42°01'43" E, 138.63 feet; thence S 47°58'07" E, 166.56 feet; thence S 12°23'44" W, 171.92 feet; thence along the right-of-way of Oak Hollow Drive for the next six courses, N 89°50'59" W, 20.81 feet; thence along a 242.00 foot radius curve to the right (central angle = 50°31'43", chord bearing = N 64°35'08" W, chord dist. = 206.57 feet) for a distance of 213.42 feet; thence along a 233.00 foot radius curve to the left (central angle = 36°04'46", chord bearing = N 57°21'39" W, chord dist. = 144.31 feet) for a distance of 146.72 feet; thence S 33°18'20" W, 71.34 feet; thence along a 167.00 foot radius, non-tangent curve to the right (central angle = 43°57'15", chord bearing = S 61°17'54" E, chord dist. = 124.99 feet) for a distance of 128.11 feet; thence along a 308.00 foot radius curve to the left (central angle = 39°31'08", chord bearing = S 59°42'20" E, chord dist. = 208.25 feet) for a distance of 212.44 feet; thence S 31°20'04" W, 254.71 feet to the POINT OF BEGINNING. Containing 4.045 acres. Together with all riparian rights pertaining thereto. Subject to other restrictions or easements, if any.

The foregoing described land is subject to and entitled to the benefits of all easements and restrictions of record and all governmental limitations, including but not limited to those set forth :

1. Reservation of oil, Gas, and Mineral rights as recorded in Liber 695, Page 17.
2. Easement Agreement as recorded in Liber 1188, Page 167.
3. Building and use restrictions as recorded in Liber 484, Page 22.
4. Declaration and Agreement for Reciprocal Easements as recorded in Liber 1190, Page 104.
5. Declaration of Easement as recorded in Liber 1229, Page 851.
6. Easement Agreement as recorded in Liber 1229, Page 855.

ARTICLE 3

DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits "A" and "B" hereto, but are or may be used in various other instruments including but not limited to, the Articles of Incorporation and Bylaws and rules and regulations of the Lake Pointe Office Condominium Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in the Condominium Project. Wherever used in these documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

3.1 **Act** "Act means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

3.2 **Association** "Association" means the Lake Pointe Office Condominium Association, the non-profit corporation organized under Michigan law of which all Co-owners shall be members, which corporation 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.

3.3 **Association Bylaws** "Association Bylaws" means the corporate bylaws of the Association as distinguished from the Condominium Bylaws.

3.4 **Common Elements** "Common Elements," where used without modification, shall mean both the "General Common Elements" and the "Limited Common Elements" defined and described herein.

3.5 Condominium Bylaws "Condominium Bylaws" means Exhibit "A" hereto, as may be amended from time to time in accordance herewith, 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 this Master Deed.

3.6 Condominium Documents "Condominium Documents" wherever used means this Master Deed and Exhibits "A" and "B" hereto and the Articles of Incorporation, Association Bylaws and rules and regulations, if any, of the Association, as these documents may be amended from time to time.

3.7 Condominium Premises "Condominium Premises" means and includes the land described in Article 2, above, and the buildings, all improvements and structures thereon, and all easements, rights and appurtenances now or hereafter belonging to the Condominium.

3.8 Condominium Project, Condominium or Project "Condominium Project," "Condominium" or "Project" means Lake Pointe Office as a condominium project established in conformity with the provisions of the Act.

3.9 Condominium Site Plan "Condominium Site Plan" means Exhibit "B" hereto.

3.10 Consolidating Master Deed "Consolidating Master Deed" means the final amended Master Deed which shall describe the Condominium Project as completed, and shall reflect the entire land area in the Condominium and all Units (but not the structures thereon) and Common Elements therein, and which shall express percentages of value pertinent to each Unit as finally readjusted. The Consolidating Master Deed, when recorded in the office of the Grand Traverse County Register of Deeds, shall supersede the previously recorded Master Deed for the Condominium and all amendments thereto. In the event the Units and Common Elements in the Condominium are established in substantial conformance with the proposed Condominium Site Plan attached as Exhibit "B" to this Master Deed, the Developer shall be able to satisfy the foregoing obligation by the filing of a certificate in the office of the Grand Traverse County Register of Deeds confirming that the Units (but not the structures thereon) and Common Elements "as built" are in substantial conformity with the proposed Condominium Site Plan and that no Consolidating Master Deed need be recorded.

3.11 Co-owner Or Owner "Co-owner" means a person, firm, corporation, partnership, limited liability company, association, trust or other legal entity or any combination thereof who or which owns in fee simple one or more Units in the Condominium Project. The term "Owner," wherever used, shall be synonymous with the term "Co-owner."

3.12 Developer "Developer" means Neil Sosin and Nancy Sosin, which have made and executed this Master Deed, and its successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever, however and wherever these terms are used in the Condominium Documents.

3.13 Development And Sales Period "Development and Sales Period" for the purposes of the Condominium Documents and the rights reserved to the Developer thereunder, means the

period commencing with the recording of this Master Deed and continuing for so long as the Developer owns (including ownership while the Developer is a land contract vendor) any Units which it offers for sale.

3.14 First Annual Meeting "First Annual Meeting" means the initial meeting at which non-developer Co-owners are entitled to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting is to be held (a) in the Developer's sole discretion after 50% of the Units which may be created are sold, or (b) mandatorily within (i) 54 months from the date of the first Unit conveyance, or (ii) 120 days after 75% of all Units which may be created are sold, whichever first occurs.

3.15 Transitional Control Date "Transitional Control Date" means the date on which a 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.

3.16 Unit, Units Or Condominium Unit "Unit," "Units" or "Condominium Unit" each mean the space constituting a single complete unit for commercial, industrial or other permissible purpose in the Condominium Project, as such space may be described on Exhibit "B" hereto, and shall have the same meaning as the term "Condominium Unit" defined in the Act. Any commercial building now or hereafter located within the boundaries of a Unit other than utility service lines, shall be owned in their entirety by the Co-owner of the Unit within which they are located and shall not, unless otherwise expressly provided in the Condominium Documents, constitute Common Elements. The Developer does not intend to and is not obligated to install any structures whatsoever within the Units.

Whenever any reference herein is made to one gender, that reference shall include a reference to any and all genders where the same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference shall also be included to the plural where that reference would be appropriate and vice versa.

ARTICLE 4

COMMON ELEMENTS

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

4.1 General Common Elements

A. **Electrical.** The electrical transmission service, including primary and secondary service lines intended to service buildings constructed within the Units up to the point of the Unit boundary. Such service from the Unit boundary to the point of connection to the commercial building shall be a Limited Common Element.

B. **Telephone.** The telephone wiring network throughout the Project up to the point of the Unit boundary. Such service from the Unit boundary to the point of connection to the commercial building shall be a Limited Common Element.

C. **Gas.** The gas line network throughout the Project up to the point of the Unit boundary. Such network from the Unit boundary to the point of connection to the commercial building shall be a Limited Common Element.

D. **Sanitary Sewer.** The sanitary sewer network throughout the Project up to the point of the Unit boundary. Such network from the Unit boundary to the point of connection to the commercial building shall be a Limited Common Element.

E. **Storm Sewers.** The storm sewer network in the Units and the easements within which the same are located up to the point of the Unit boundary. Such network from the Unit boundary to the point of connection to the commercial building shall be a Limited Common Element.

F. **Water.** The water distribution system throughout the Project up to the point of the Unit boundary and the irrigation system, if any, for the common areas. Such system from the Unit boundary to the point of connection to the commercial building shall be a Limited Common Element.

G. **Telecommunications.** The telecommunications and cable television systems, if and when they may be installed, up to the point of service connection within each Unit.

H. **Utilities.** Notwithstanding anything to the contrary in Sections 4.1 or 4.2 herein, to the extent that some or all of the utility, telecommunications and cable television systems and lines, including mains, service leads and equipment described above, may be owned by the local public authority or by a company that is providing the service, such utility, telecommunications and cable television lines and systems shall be General Common Elements only to the extent of the Co-owners' interest therein, if any, and the Developer makes no warranty whatsoever with respect to the nature or extent of such interest, if any. The extent of the Developer's and Association's responsibility will be to see to it that water, sanitary sewer, telephone, electric and natural gas mains are installed within reasonable proximity to the Units.

4.2 **Limited Common Elements.** The Limited Common Elements shall be subject to the exclusive use and enjoyment of the owner of the Unit to which such Limited Common Elements appertain, subject to the building easement and other restrictions set forth in the Condominium Documents and Declaration. The Limited Common Elements are all utility leads

lying within the Unit to the point of connection with the commercial building and adjoining land area are limited in use to the Units which they service.

4.3 Responsibilities The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements are as follows:

A. Co-owner Responsibilities.

(i) **Units and Appurtenant Limited Common Elements.** It is anticipated that separate commercial buildings will be constructed on the Units. The responsibility for and the costs of maintenance, decoration, landscaping, repair, taxes, insurance, renovation and replacement of the Unit and any commercial building on the Unit shall be borne by the Co-owner of the Unit.

(ii) **Utility Services.** Each Co-owner will be entirely responsible for arranging for and paying all costs in connection with extension of utilities by laterals from the mains to any structures or fixtures located within the Units. All costs of electricity, water, sanitary sewer, natural gas, telephone and any other utility services shall be borne by the Co-owner of the Unit to which those services are furnished. All utility laterals and leads shall be maintained, repaired and replaced at the expense of the Co-owner whose Unit they service, except to the extent that expenses are borne by a utility company or a public authority, and the Association shall have no responsibility therefor.

B. Association Responsibilities. The responsibility for and the costs of maintenance, landscaping, decoration, taxes, insurance, repair, renovation, restoration and replacement of all of the General Common Elements, the entryway lights and landscaping for the Condominium, and all shared costs for the common roadways shall be borne by the Association and such costs shall be expenses of administration to be assessed in accordance with the Condominium Documents. The Association shall not be responsible for performing any maintenance, repair or replacement with respect to any commercial building built on any Unit.

4.4 Use Of Units And Common Elements No Co-owner shall use his Unit or the Common Elements in any manner inconsistent with the purposes of the Project, in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of his or its Unit or the Common Elements or in any manner which would violate any ordinances of the Township of Garfield. No Common Element shall be the subject of any action for partition unless the Project is terminated.

4.5 Roads And Utility Systems Pursuant to the terms of the Amendatory Agreement to be recorded in Grand Traverse County Register of Deeds, a separate Association will be created that will be responsible to maintain and repair the Roads. Some or all of the utility lines, utility systems (including mains and service leads) and equipment, the telecommunications facilities and roadways described above may be owned by the local public authority or by the company that is providing the pertinent service, and to the extent they are so owned are not considered to be Common Elements. Accordingly, the Developer makes no warranty whatever with respect to the nature or extent of the Co-owners' interest, if any. The extent of the Developer's responsibility will

be to see to it that sump pump outlets, water, sanitary sewer, telephone, electric and natural gas mains (but not cable television transmission lines) are installed within reasonable proximity to, but not within, the Units. Each Co-owner will be entirely responsible for arranging for and paying all costs in connection with extension of any utilities by laterals from the mains to any structures and fixtures located within the Units. In the event that, in the future, it shall be required by a public authority or public authorities or by a majority of Co-owners to install additional or extended public sewer and/or public water mains to serve the Units in the Condominium, then the collective costs assessable to the Condominium Premises as a whole of installing any such additional or extended mains shall be borne by all Co-owners in accordance with their respective percentages of value.

4.6 Tree Buffer. No Co-Owner shall place its Building or any improvements in the twenty-five foot (25') area that abuts the Lake Pointe Village Apartments. The trees in this area shall remain and the Co-Owners shall not be entitled to remove them.

4.7 Co-Owner Negligence Or Fault If the Association determines in its sole discretion that maintenance, repair, decoration or replacement is required as a result of the failure of a Co-owner to perform its responsibility as set forth in the Condominium Documents, or as a result of the negligence, fault or improper conduct of a Co-owner, the Association may perform the required work. The cost of any such maintenance, repair, decoration or replacement performed by the Association shall be the responsibility of the Co-owner and shall be added to, and paid in full along with and as part of, his next monthly Association assessment. Failure of the Co-owner to pay the charges incurred by the Association shall entitle the Association to proceed with all remedies set forth in the Condominium Documents.

4.8 Notice To Association Of Issuance Of A Certificate Of Occupancy Each Co-owner shall notify the Developer and the Association in writing within three days after receipt of a temporary certificate of occupancy of (a) the receipt of the temporary certificate of occupancy, (b) the proposed location and date of closing, if applicable, and (c) the projected date of occupancy.

ARTICLE 5

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

5.1 Description Of Units Each Unit in the Condominium Project is described in this Section with reference to the Condominium Site Plan attached hereto as Exhibit "B." Each Unit shall consist of the space located within the Unit boundaries as shown on Exhibit "B" hereto and delineated with outlines as the "Limits of Ownership". Accordingly, the Developer or, upon assignment, the Association shall have the right, in its sole discretion, to modify the Condominium Site Plan to depict actual ground elevations and Unit boundaries. Even if no such amendment is undertaken, easements for maintenance of structures that encroach on Common Elements have been reserved in Article 9 below.

5.2 Percentage Of Value The percentage of value assigned to each Unit shall be equal. The determination that percentages of value should be equal was made after reviewing the comparative characteristics of each Unit in the Project and concluding that there are no material

differences among the Units insofar as the allocation of percentage of value is concerned. The resulting percentage shall total precisely 100%. The percentage of value assigned to each Unit shall be determinative of each Co-owner's undivided interest of the Common Elements of the Condominium Project, the proportionate share of each respective Co-owner in the proceeds and the expenses of the administrations and the value of each Co-owner's vote at meetings of the Association. The percentage of value allocated to each Unit may be changed only with the prior written approval of each institutional holder of a first mortgage lien on any Unit in the Project and with the unanimous consent of all of the Co-owners expressed in an amendment to this Master Deed, fully approved and recorded.

ARTICLE 6

CONSOLIDATION, MODIFICATION OF UNITS & LIMITED COMMON ELEMENTS; SUBDIVISION OF UNITS

6.1 Notwithstanding any other provision of this Master Deed or the Condominium Bylaws, Units in the Condominium may be consolidated, modified and the boundaries relocated, in accordance with Sections 48 and 49 of the Act and this Article; any changes in the affected Unit or Units shall be promptly reflected in a duly recorded amendment or amendments to this Master Deed

A. **By Developer.** The Developer reserves the sole right during the Development and Sales Period and without the consent of any other Co-owner or any mortgagee of any Unit to take the following action:

(i) **Consolidate Units; Relocate Boundaries.** The Developer shall have the right, subject to applicable governmental authority, to consolidate under single ownership two or more unsold Units which are located adjacent to one another, and relocate any boundaries between adjoining Units. Such consolidation of Units and relocation of boundaries of Units shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by and at the sole discretion of the Developer, its successors or assigns.

(ii) **Amend To Effectuate Modifications.** In any amendment or amendments resulting from the exercise of the rights reserved to the Developer above, each portion of the Unit or Units resulting from the consolidation or relocation of boundaries shall be separately identified by number and the percentage of value as set forth in Article V hereof for the Unit or Units subdivided, consolidated or as to which boundaries are relocated shall be proportionately allocated to the resultant new Condominium Units in order to preserve a total value of 100% for the entire Project resulting from the amendment or amendments to this Master Deed. The precise determination of the readjustments in percentage of value shall be within the sole judgment of the Developer. These readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the original method of determining percentages of value for the Project. Any amendment or amendments to this Master Deed shall also contain any further definitions of Common Elements as may be necessary to adequately describe the Units in the

Condominium Project as so modified. 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 an amendment or amendments of this Master Deed to effectuate the foregoing and to any proportionate reallocation of percentages of value of Units which the Developer or its successors may determine necessary in conjunction with the amendment or amendments. All interested persons irrevocably appoint the Developer or its successors as agent and attorney-in-fact for the purpose of execution of any amendment or amendments to this Master Deed and all other documents necessary to effectuate the foregoing. Amendments may be affected without the necessity of rerecording an entire Master Deed or the Exhibits hereto.

B. By Co-owners. Subject to applicable governmental approval, Co-owners of adjoining Units may relocate boundaries between their Units or eliminate boundaries between two or more Units upon written request to and approval by the Association in accordance with Section 48 of the Act. Upon receipt of the request, the president of the Association shall present the matter to the Board of Directors for review and, if approved by the Board, cause to be prepared an amendment to this Master Deed duly relocating the boundaries, identifying the Units involved, reallocating percentages of value and providing for conveyancing between or among the Co-owners involved in relocation of boundaries. The Co-owners requesting relocation of boundaries shall bear all costs of resulting amendments. Any relocation or elimination of boundaries shall not become effective, however, until the amendment to this Master Deed has been recorded in the office of the Grand Traverse County Register of Deeds and until all applicable governmental approvals have been obtained.

C. Limited Common Elements. Subject to Section 4.4 hereof, Limited Common Elements shall be subject to assignment and reassignment in accordance with Section 39 of the Act and in furtherance of the rights to consolidate or relocate boundaries described in this Article VI.

6.2 Subdivision. Units may be subdivided in the following manner:

A. The Co-owner seeking to subdivide a Unit shall cause an amendment of the Master Deed, Condominium Plan and Bylaws to be prepared in the form described hereafter. Amendments to subdivide any Unit or Units owned by Developer may be made and recorded only by Developer with the consent of any Mortgagee having an interest in the Unit or Units to be subdivided, but without the consent of any other person. If the Co-owner of the Unit to be subdivided is a person other than Developer, the requesting Co-owner shall provide to the Association the written consent of any Mortgagee having an interest in the Unit to be subdivided, and shall also provide funds sufficient to reimburse the Association for all reasonable expenses to be incurred in connection with such amendment including reasonable attorney fees for the review thereof and recording and copying expenses; and upon satisfaction of the foregoing requirements, the president of the Association, or any other officer designated by the board of directors, shall cause such amendment to be duly executed and recorded in the Grand Traverse County Register of Deeds.

B. The amendment to the Master Deed shall assign new identifying numbers to the new Units created by the subdivision and shall allocate to those Units, on a reasonably basis, all of the undivided interest in the Common elements appertaining to the subdivided Unit and the Percentage of Value allocated in this Master Deed to the subdivided Unit. The new Units shall jointly share all rights, and shall be equally liable, jointly and severally, for all obligations relating to any Limited Common Elements assigned to the subdivided Unit, except to the extent that the amendment provides that portions of any Limited Common Elements assigned to the subdivided Unit shall be assigned to less than all of the new Units.

C. An amendment to the Bylaws shall allocate to the new Units, on a reasonable basis, the votes in the Association allocated to the subdivided Unit, and shall reflect a proportionate allocation to the new units of the liability for expenses of administration and rights to receipts of administration formerly appertaining to the subdivided Unit.

D. Portions of the original Unit may be redesigned as Limited Common Elements, provided that the new Units and the adjacent Units shall be solely responsible for any other right, obligation or liability related thereto.

E. Copies of amendments made to subdivide Units shall be provided to each Co-owner after the recordation thereof.

ARTICLE 7

CONVERTIBLE AREAS

7.1 **Reservation of Right to Modify Units and Common Elements** The Developer reserves the right, in its sole discretion, during a period ending no later than six (6) years from the date of recording his Master Deed, to enlarge, diminish, modify or extend the Units and/or the Limited Common Elements appurtenant or geographically proximate to such Units within the Convertible Areas above designated for such purpose, so long as such modifications do not unreasonably impair or diminish the appearance of the Project or the view, privacy or other significant attributes or amenities of any Unit which adjoins or is proximate to the modified Unit or Common Element. Under no circumstances, however, shall the Developer, the Association or any other Co-owner modify, enlarge or diminish any Unit or appurtenant Limited Common Element or any rights in connection therewith without the express written consent of the Co-owner of the Unit.

ARTICLE 8

EASEMENTS AND RIGHT TO DEDICATE ROAD AND/OR UTILITIES

8.1 **Easement For Utilities And Maintenance Of Encroachments** There shall be easements to, through and over the land in the Condominium (including all Units) for the continuing maintenance, repair replacement and enlargement of any utilities in the Condominium as depicted on the Condominium Site Plan as the same may be amended from time to time. In the

event any portion of structure located within a Unit encroaches upon another Unit or Common Element due to shifting, settling or moving of a building, or due to survey errors, or construction deviations or change in ground elevations, reciprocal easements shall exist for the maintenance of any encroachment for so long as the encroachment exists, and for maintenance thereof after rebuilding in the event of destruction.

8.2 Easements Retained by Developer

A. Intentionally Deleted.

B. Utility Easements. Upon the sale of each Unit, the Developer shall not have the right to create any easements on the Project that may detrimentally impact the Co-Owners without the prior written consent of the Co-Owner. Developer hereby reserves for the benefit of itself, its successors and assigns perpetual easements to utilize, tap, tie into, extend and enlarge all utility mains located in the Condominium Premises, including, but not limited to, water, gas, telephone, electrical, cable television, storm and sanitary sewer mains and storm water retention and detention areas. In the event Developer, its successors or assigns, utilizes, taps, ties into, extends or enlarges any utilities located on the Condominium Premises, it shall be obligated to pay all of the expenses reasonably necessary to restore the Condominium Premises to their state immediately prior to such utilization, tapping, tying in, extension or enlargement. All expenses of maintenance, repair and replacement of any utility mains referred to in this Section shall be shared by this Condominium and any developed portions of the land which are served by such utility mains. The Co-owners of this Condominium shall be responsible from time to time for payment of a proportionate share of said expenses which share shall be determined by multiplying such expenses times a fraction, the numerator of which is the number of Units in this Condominium, and the denominator of which is comprised of the numerator plus all other dwelling units and building sites on the land which benefits from such mains. Notwithstanding the foregoing, all such expenses are to paid and shared only if such expenses are not borne by a governmental agency or public utility and the expense sharing shall be applicable only to utility mains and the expenses of maintenance, upkeep, repair and replacement of utility leads shall be borne by individual Co-owners to the extent such leads are located on the Condominium and by the owner or owners of the land upon which are located the dwelling which such lead or leads service.

The Developer reserves, for the benefit of itself and its successors and assigns, the right at any time to grant easements for utilities over, under and across the Condominium to appropriate governmental agencies or public utility companies and to transfer title of utilities to state, county or local governments. Any easements or transfers of title may be conveyed by the Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit "B" hereto, recorded in the Grand Traverse County Records. 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 any amendment or amendments of this Master Deed to effectuate the foregoing easement or transfer of title.

8.3 Grant Of Easements By Association Upon the sale of each Unit, the Association shall not have the right to create any easements on the Project that may detrimentally impact the

Co-Owners without the prior written consent of the Co-Owner. The Association, acting through its lawfully constituted Board of Directors shall be empowered and obligated to grant any easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium or with respect to easements across other land benefiting the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium, subject, however, to the approval of any affected Co-Owner or the Developer so long as the Development and Sales Period has not expired. No easements created under the Condominium Documents may be modified, nor may any of the obligations with respect thereto be varied, without the consent of each person benefited or burdened thereby.

8.4 Easements For Maintenance, Repair And Replacement The Developer, the Association and all public or private utilities shall have any easements as may be necessary over the Condominium Project, including all Units and Common Elements, to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents or by law or to respond to any emergency or common need of the condominium.

8.5 Telecommunications Agreements The Association, acting through its duly constituted Board of Directors and subject to the Developer's approval during the Development and Sales Period, shall have the power to make or cause to be made any installation and/or grant any easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively, "Telecommunications") to the Project or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which will violate any provision of any Federal, state or local law or ordinance. Any and all sums paid by any telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing any telecommunications-related equipment or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

8.6 Pathway Easement. The Developer, the Association and the Township of Garfield shall have the power to make or cause to be make an easement along the Boardman River to create a pathway, including the right to repair or decorate the path as permitted under the Condominium Documents or by law.

8.7 Other Community Easements The Developer or the Association shall have the right to grant such further easements, including without limitation, easements for access purposes over or with respect to General Common Elements of the Condominium as may be necessary or desirable in furtherance of development, community usage, coordinated maintenance and operation of the Condominium.

8.8 Reciprocal Easements, Covenants And Restrictions This Master Deed is subject to the documents and agreements referred to in Article 2 hereof and Developer hereby expressly confirms the reservation of rights in creation of obligations set forth in those documents.

ARTICLE 9

AMENDMENT

9.1 Modification Of Units Or Common Elements No Unit dimension may be modified in any material way without the consent of the Co-owner and mortgagee of the Unit to be modified nor may the nature or extent of Limited Common Elements, if any, or the responsibility for maintenance, repair or replacement of any Common Elements be modified without the written consent of the Co-owner and mortgagee of any Unit to which the Limited Common Elements are appurtenant or serve, except as otherwise expressly provided to the contrary in other portions of this Master Deed, the Condominium Bylaws and/or other Condominium Documents.

9.2 By Developer Prior to two years after the expiration of the Development and Sales Period, the Developer may (without the consent of any Co-owner or any other person) amend this Master Deed and the Condominium Site Plan attached as Exhibit "B" in order to correct survey or other errors made in any documents and to make any other amendments to the Master Deed and to the Condominium Bylaws attached hereto as Exhibit "A" and other Condominium Documents as do not materially affect any rights of any Co-owner or mortgagee in the Project.

9.3 Change In Percentage Of Value The value of the vote of any Co-owner and the corresponding proportion of common expenses assessed against any Co-owner shall not be modified without the written consent of the affected Co-owner and his mortgagee nor shall the percentage of value assigned to that Unit be modified without like consent, except as otherwise provided herein.

9.4 Developer Approval During the Development and Sales Period, the Condominium Documents shall not be amended nor shall the provisions thereof be modified in any way without the written consent of the Developer.

9.5 Termination, Vacation, Revocation, Abandonment The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of 66 2/3% of all non-developer Co-owners. The right of the Developer to contract the Project shall not be affected by this Section.

9.6 Mortgagee Consent Whenever a proposed amendment would materially alter or change the rights of mortgagees generally, then the amendments shall require the approval of 66 2/3% of all mortgagees of records allocating one vote for each mortgage held.

9.7 **No Amendment** Except as otherwise specifically provided herein, the Master Deed and the condominium documents may be amended with the consent of 66 2/3% percent of the Co-owners.

ARTICLE 10

OPERATIVE PROVISIONS

10.1 **Amendment Of Master Deed And Modification Of Percentage Of Value** Any change in size of the Condominium Project shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by and at the discretion of the Developer or its successors and in which the percentages of value set forth in Article 5, above, shall be proportionately adjusted or readjusted or readjusted in order to preserve a total value of 100% for the entire Project resulting from any amendment or amendments to this Master Deed. The precise determination of the adjustments or readjustments in percentages or value shall be within the sole judgment of the Developer. The adjustments or readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the method of original determination of percentages of value for the Project.

10.2 **Redefinition Of Common Elements** The amendment or amendments to this Master Deed shall also contain any further definitions and redefinitions of Common Elements as may be necessary to adequately describe, provide access to and service the additional phase being added to the Project by the amendment. In connection with any amendment or amendments, the Developer shall have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article, provided such change does not materially alter the use of the Unit by the Co-owner.

10.3 **Consents Of Interested Persons** 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 any amendment or amendments of this Master Deed as may be proposed by Developer as permitted herein. All interested persons irrevocably appoint the Developer, or its successors, their agent and attorney-in-fact for the purpose of execution of any amendment or amendments to this Master Deed and all other documents necessary to effectuate the foregoing. Amendments may be effected without the necessity of rerecording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto; provided, however, that a Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendments thereto.

10.4 **Consolidating Master Deed** A Consolidating Master Deed shall be recorded pursuant to the Act when the Project is finally completed as determined by the Developer in order to incorporate into one set of instruments all successive stages of development. The Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all

amendments thereto. In the event the Units and Common Elements in the Condominium are established in substantial conformance with the proposed Condominium Site Plan attached as Exhibit "B" to this Master Deed, the Developer shall be able to satisfy the foregoing obligation by the filling of a certificate in the office of the Grand Traverse County Register of Deeds confirming that the Units (but not the structures thereon) and Common Elements "as built" are in substantial conformity with the proposed Condominium Site Plan and that no Consolidating Master Deed need be recorded.

ARTICLE 11

DEVELOPER'S RIGHT TO USE FACILITIES

Developer, its successors and assigns, agents and employees may maintain such offices, reasonable parking, storage areas and other facilities on the premises of Condominium Project as it deems necessary to facilitate the development and sale of the Project. Developer shall have such access to, from and over the Project as may be reasonable to enable the development and sale of Condominium Project. Developer shall pay the cost related to such use and restore the facilities to habitable status upon termination of such use.

ARTICLE 12

[Intentionally Omitted]

ARTICLE 13


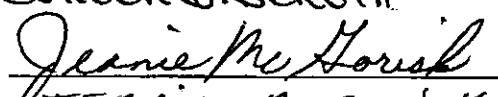
ASSIGNMENT

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the power to approve or disapprove any act, use or proposed action, or any other matter or thing, may be assigned by it to any other person or entity or to the Association. Any assignment or transfer shall be made by appropriate instrument in writing duly recorded in the office of the Grand Traverse County Register of Deeds.

[Intentionally Blank]

"DEVELOPER"

WITNESSES:

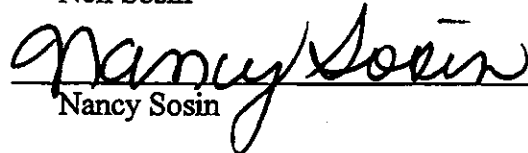

Colleen D. BERGIN

JEANNIE MCGORISK

STATE OF MICHIGAN)

COUNTY OF OAKLAND) ss.



Neil Sosin


Nancy Sosin

On this 12 day of APRIL, 2000, the foregoing Master Deed was acknowledged before me by Neil Sosin and Nancy Sosin, on their own free act and deed.

Gail Ochs Mills GAIL OCHS MILLS
Notary Public, OAKLAND County, MI
My Commission expires: 9/30/03

Drafted by and when recorded return to:

Ian M. Burnstein
Jaffe, Raitt, Heuer & Weiss,
Professional Corporation
One Woodward Avenue, Suite 2400
Detroit, Michigan 48226

#740226 v3 - Master Deed for Lake Pointe

SCHEDULE 5.2
PERCENTAGE OF VALUE

<u>Unit</u>	<u>% Value</u>
1	50%
2	<u>50%</u>
Total	100.00%

#740226 v2 - Master Deed for Lake Pointe

EXHIBIT "A"

CONDOMINIUM BYLAWS

LAKE POINTE OFFICE

GRAND TRAVERSE COUNTY

ARTICLE 1

ASSOCIATION OF CO-OWNERS

1.1 Formation; Membership Lake Pointe Office Condominium, a commercial site condominium project located in Garfield, Grand Traverse County, Michigan, shall be administered by an association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association," organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, Bylaws and duly adopted rules and regulations of the Association, and the laws of the State of Michigan. These Bylaws shall constitute the Bylaws referred to in the Master Deed and required by Section 3(B) of the Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. In the event of a sale of a Unit pursuant to a land contract, the land contract vendee (other than a contractor or builder described above) shall be deemed the Co-owner and 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 his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master deed and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or in the Common Elements thereof shall be subject to the provisions and terms set forth in the Condominium Documents.

1.2 Definitions Capitalized terms used herein without further definition shall have the meanings ascribed to them in the Master Deed or the Act unless the context dictates otherwise.

1.3 Voting. Voting by members of the Association shall be in accordance with the following:

A. Vote. Except as limited in these Bylaws, each Co-owner shall be entitled to vote based on ownership of a Unit, as set forth in the Master Deed. Each co-owner shall be entitled to one vote for each Unit owned.

B. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until that Co-owner has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Section 13.1 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the first annual meeting of members held in accordance with Section 15.1. The vote of each Co-owner may only be cast by the individual representative designated by the Co-owner in

the notice required in Subsection C, below, or by a proxy given by the individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the first annual meeting of members and shall be entitled to vote during that period notwithstanding the fact that the Developer may own no Units at some time or from time to time during that period. At and after the first annual meeting of members, the Developer shall be entitled to one vote for each Unit which it owns.

C. 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 the Co-owner. The notice shall state the name and address of the 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. The representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided.

D. Annual Meeting. There shall be an annual meeting of the members of the Association commencing with the first annual meeting held as provided in Section 13.1. Other meetings may be provided for in the Bylaws of Lake Pointe Office Condominium Association, a Michigan non-profit Corporation (the "Association Bylaws"). Notice of time, place and subject matter of all meetings shall be given as provided in the Association Bylaws.

E. Quorum. The presence, in person or by proxy, of 51% in number of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required herein to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting that 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.

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

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

H. Other Provisions. Other provisions as to voting by members, not inconsistent with the provisions herein contained, may be set forth in the Association Bylaws.

1.4 Association Bylaws The Association Bylaws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to officers of the

Association in furtherance of the provisions and purposes of the Condominium Documents and not inconsistent therewith.

ARTICLE 2

ASSESSMENTS

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

2.1 Personal Property Taxes Assessed Against Association 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.

2.2 Expenditures and Receipts Affecting Administration of the Project All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the General Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the General Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

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

A. Budget. The Board of Directors of the Association shall establish an annual budget (the "Budget") in advance for each fiscal year and the Budget shall project all expenses for the forthcoming year which may be required for the proper operation, management, and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those General Common Elements that must be replaced by the Association on a periodic basis must be established in the Budget and must be funded by regular annual payments as set forth in Section 2.4, below, rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual Budget on a noncumulative basis. The Association of Co-owners should carefully analyze the needs and requirements of the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of the Budget by the Board of Directors, copies of the Budget shall be delivered to each Co-owner and the assessment for the year shall be established based upon the Budget, although the delivery of the copy of the Budget to the Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. If the Board of Directors, at any time determines, in their sole discretion, that the assessments levied are or may prove to be insufficient (i) to pay the costs of operation and management of the Condominium, (ii) to provide repairs or replacements of existing Condominium Elements, (iii) to provide additions to the Common Elements not exceeding \$1,000.00 per year for the entire Condominium Project or (iv) in the event of emergencies, then the Board of Directors shall have the authority to increase the general assessment or to levy additional assessment(s) as it shall deem necessary. The Board of Directors also shall have the

authority, without Co-owner consent, to levy assessments for repair and reconstruction in the event of casualty pursuant to the provisions of Article V hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this Article 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 the members thereof.

B. Special Assessment. Special assessments, in addition to those required in Subsection A, above, may be made by the Board of Directors from time to time (if approved by the Co-owners as hereinafter provided) to meet other needs or requirements of the Association, including, but not limited to (i) assessments for capital improvements for additions to Common Elements exceeding \$1,000 per year, (ii) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 2.6 hereof or (iii) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this Subsection B (but not including those assessments referred to in Subsection A, above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than 66 2/3% of all Co-owners. The authority to levy assessments pursuant to this Subsection is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof. Notwithstanding the foregoing, if at some time subsequent to the initial development it becomes necessary to pave or improve some or all of the roads within or adjacent to the Condominium, the improvement may be financed, in whole or in part, by the creation of a special assessment district which may include the Project. All Co-owners agree that the Board of Directors of the Association shall be vested with full power and authority to obligate all Co-owners to participate in a special assessment, and consider and otherwise act on all assessment issues on behalf of the Association and all Co-owners; provided, however, that prior to signature by the Association on a petition for improvement of such public roads, the desirability of said improvement shall be approved by an affirmative vote of not less than 51% of all Co-owners.

C. Other Assessments. In addition to the assessments set forth above, the Association shall collect a pro rata share from each Co-owner of all assessments levied against the Association pursuant to the documents referred to in the Master Deed. The default and enforcement provisions contained in this Article and in Articles X and XI shall apply with respect to the collection of all assessments levied pursuant to the foregoing documents.

2.4 Appointment of Assessments and Penalty for Default Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners equally for each Unit owned in the Project as set forth in the Master Deed. Annual assessments as determined in accordance with Subsection 2.3A, above, shall be due by Co-owners as of the first day of each fiscal year of the Association and may be payable by the Co-owners in one annual payment. Assessment in default shall bear interest from the date of default (regardless of when notice of default is given) at the rate of the lesser of 15% per annum or the maximum legal rate of interest permitted by law, until paid in full. The Association may levy reasonable late charges or fines for late payment in addition to interest, including assessment of fines for chronic or continuing late payment of assessments. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments pertinent to his Unit which may be levied while Co-owner is and the owner thereof (including interest, fines for late payment, late charges and all costs of collection and enforcement of payment), except that a land contract purchaser from any Co-owner (including the Developer) shall be so personally liable and the land

contract seller shall not be personally liable for all assessments levied up to and including the date upon which the 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:

- A. the costs of collection and enforcement of payment, including actual attorneys' fees;
- B. to any interest charges and fines for late payment on the installments; and
- C. to installments in default in order of their due dates.

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

2.6 Enforcement In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by any lawful means, including but not limited to, a suit at law for a money judgment or by foreclosures of the statutory lien that secures payment of assessments. In the event of default by any Co-owner and the payment of any installments of the assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of annual assessment for the pertinent fiscal year immediately due and payable.

A. Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien 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 Project, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this Subsection and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the nonpayment prior to the sale of the subject Unit.

B. Notice of Actions. Notwithstanding the foregoing, neither a foreclosure action nor a suit at law for a money judgment shall be commenced until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at their last known address of a written notice that one or more installments of the annual assessment or any special assessment(s) levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written notice of lien in affidavit form executed by an authorized representative or attorney of the

other purposes shall be void without the Developer's prior written consent. Further, the 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. A "completed building" shall mean a building with respect to which a certificate of occupancy has been issued by the Township of Garfield.

2.9 Taxing Authority All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

2.10 Liens Any construction lien arising pursuant to the laws of the State of Michigan with respect to the Condominium or any Unit therein shall be subject to Section 132 of the Act.

2.11 Statement As To Unpaid Assessments Pursuant to the provisions of Section 111 of the Act, the purchaser of any Unit may request a statement from the Association setting forth the outstanding amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated herein. Upon the payment of that sum which the period states, the Association's lien for assessments as to each Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request a statement at least five days prior to the closing of the purchase of such Unit, shall render any unpaid assessments and the lien securing the unpaid assessment, together with interest, costs and attorneys' fees incurred in the collection thereof, fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except amounts due the state, any subdivision thereto and first mortgages of record.

ARTICLE 3

ARBITRATION; JUDICIAL ACTIONS AND CLAIMS

Actions on behalf of and against the Co-owners shall be brought in the name of the Association. Subject to the express limitations on actions in these Bylaws and in the Association's Articles of Incorporation, the Association may assert, defend or settle claims on behalf of all Co-owners in connection with the Common Elements of the Condominium. As provided in the Articles of Incorporation or Bylaws of the Association, the commencement of any civil action (other than one to enforce these Bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the Co-owners, and shall be governed by the requirements of this Article 3. The requirements of this Article 3 will ensure that the Co-owners are fully informed regarding the prospects and likely costs of any civil action the Association proposes to engage in, as well as the ongoing status of any civil actions actually filed by the Association. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid the waste of the Association's assets in litigation where reasonable and prudent alternatives to the litigation exist. Each Co-owner shall have standing to sue to enforce the requirements of this Article 3.

Association that sets forth: (i) the affiant's capacity to make the affidavit; (ii) the statutory and other authority of the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s) and (v) the name(s) of the Co-owner(s) of record. The notice of lien shall be recorded in the Office of the Register of Deeds in the county in which the Project is located prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the 10-day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notice the delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

C. Other Remedies. In the event of default by any Co-owner in the payment of any installment of the annual assessment or any special assessment(s) levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year and all outstanding special assessments immediately due and payable. A Co-owner in default shall not be entitled to vote at any meeting of the Association and shall not be entitled to use any of the General Common Elements so long as the default continues. The Association also may discontinue the furnishing of utilities or other services to a Co-owner in default on seven days written notice to the Co-owner in default of its election so to do. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. The Association shall be entitled to collect interest and all reasonable costs and expenses incurred in pursuing its default remedies as outlined above including, but not limited to actual attorneys' fees and/or legal expenses.

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, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit.

2.7 Liability of Mortgagee Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage of record covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder acquires title to the Unit (except for claims for assessments or charges resulting from a pro rata reallocation of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units the mortgaged Unit).

2.8 Developer's Responsibility for Assessments The Developer shall at all times pay all expenses of maintaining the Units that it owns, including the improvements located thereon, together with a proportionate share of all current maintenance expenses actually incurred by the Association from time to time (excluding reserves) for street and utility maintenance, landscaping, sign lighting and snow removal but excluding management fees and expenses related to maintenance and use of those Units that are not owned by the Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses shall be based upon the ratio of all Units owned by the Developer at the time the expense is incurred to the total number of Units then in the Project. Any assessments levied by the Association against the Developer for

The following procedures and requirements apply to the Association's commencement of any civil action other than an action to enforce these Bylaws or to collect delinquent assessments:

3.1 Board of Directors' Recommendation to Co-owners. The Association's Board of Directors shall be responsible in the first instance for recommending to the Co-owners that a civil action be filed, and supervising and directing any civil actions that are filed.

3.2 Litigation Evaluation Meeting. Before an attorney is engaged for purposes of filing a civil action on behalf of the Association, the Board of Directors shall call a special meeting of the Co-owners (the "Litigation Evaluation Meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the Co-owners of the date, time and place of the Litigation Evaluation Meeting shall be sent to all Co-owners not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8-1/2" x 11" paper:

A. A certified resolution of the Board of Directors setting forth in detail the concerns of the Board of Directors giving rise to the need to file a civil action and further certifying that:

- (i) it is in the best interests of the Association to file a lawsuit;
 - (ii) that at least one member of the Board of Directors has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the Association, without success;
 - (iii) litigation is the only prudent, feasible and reasonable alternative;
- and
- (iv) the Board of Directors' proposed attorney for the civil action is of the written opinion that litigation is the Association's most reasonable and prudent alternative.

B. A written summary of the relevant experience of the attorney ("Litigation Attorney") the Board of Directors recommends be retained to represent the Association in the proposed civil action, including the following information:

- (i) the number of years the Litigation Attorney has practiced law;
- and
- (ii) the name and address of every condominium and homeowner association for which the Litigation Attorney has filed a civil action in any court, together with the case number, county and court in which each civil action was filed.

C. The Litigation Attorney's written estimate of the amount of the Association's likely recovery in the proposed lawsuit, net of legal fees, court costs, expert witness fees and all other expenses expected to be incurred in the litigation.

D. The Litigation Attorney's written estimate of the cost of the civil action through a trial on the merits of the case (the "Total Estimated Cost"). The Total Estimated Cost of the civil action shall include the Litigation Attorney's expected fees, court costs, expert

witness fees, and all other expenses expected to be incurred in the civil action.

E. The Litigation Attorney's proposed written fee agreement.

F. The amount to be specially assessed against each Unit in the Condominium to fund the estimated cost of the civil action both in total and on a monthly per Unit basis, as required by Section 6 of this Article III.

3.3 Independent Expert Opinion. If the lawsuit relates to the condition of any of the Common Elements of the Condominium, the Board of Directors shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Common Elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the Board of Directors shall conduct its own investigation as to the qualifications of any expert and shall not retain any expert recommended by the Litigation Attorney or any other attorney with whom the Board of Directors consults. The purpose of the independent expert opinion is to avoid any potential confusion regarding the condition of the Common Elements that might be created by a report prepared as an instrument of advocacy for use in a civil action. The independent expert opinion will ensure that the Co-owners have a realistic appraisal of the condition of the Common Elements, the likely cost of repairs to or replacement of the same, and the reasonable and prudent repair and replacement alternatives. The independent expert opinion shall be sent to all Co-owners with the written notice of the Litigation Evaluation Meeting.

3.4 Fee Agreement with Litigation Attorney. The Association shall have a written fee agreement with the Litigation Attorney, and any other attorney retained to handle the proposed civil action. The Association shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement unless the existence of the agreement is disclosed to the Co-owners in the text of the Association's written notice to the Co-owners of the Litigation Evaluation Meeting.

3.5 Co-Owner Vote Required. At the Litigation Evaluation Meeting the Co-owners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the Litigation Attorney. The commencement of any civil action by the Association (other than a suit to enforce these Bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the Co-owners. Any proxies to be voted at the Litigation Evaluation Meeting must be signed at least seven (7) days prior to the Litigation Evaluation Meeting.

3.6 Litigation Special Assessment. All legal fees incurred in pursuit of any civil action that is subject to Section 1 through 10 of this Article 3 shall be paid by special assessment of the Co-owners (the "Litigation Special Assessment"). The Litigation Special Assessment shall be approved at the Litigation Evaluation Meeting (or at any subsequent duly called and noticed meeting) by a majority in number and in value of all Co-owners in the amount of the estimated total cost of the civil action. If the Litigation Attorney proposed by the Board of Directors is not retained, the Litigation Special Assessment shall be in an amount equal to the estimated total cost of the civil action, as estimated by the attorney actually retained by the Association. The Litigation Special Assessment shall be apportioned to the Co-owners in accordance with their respective percentage of value interests in the Condominium

and shall be collected from the Co-owners on a monthly basis. The total amount of the Litigation Special Assessment shall be collected monthly over a period not to exceed twenty-four (24) months.

3.7 Attorney's Written Report. During the course of any civil action authorized by the Co-owners pursuant to this Article IX, the retained attorney shall submit a written report (the "Attorney's Written Report") to the Board of Directors every thirty (30) days setting forth:

A. The Attorney's fees, the fees of any experts retained by the attorney, and all other costs of the litigation during the thirty (30) day period immediately preceding the date of the Attorney's Written Report (the "Reporting Period").

A. All actions taken in the civil action during the Reporting Period, together with copies of all pleadings, court papers and correspondence filed with the court or sent to opposing counsel during the Reporting Period.

B. A detailed description of all discussions with opposing counsel during the Reporting Period, written and oral, including, but not limited to, settlement discussions.

C. The costs incurred in the civil action through the date of the Attorney's Written Report, as compared to the attorney's estimated total cost of the civil action.

D. Whether the originally estimated total cost of the civil action remains accurate.

3.8 Monthly Board Meetings. The Board of Directors shall meet monthly during the course of any civil action to discuss and review:

- A. the status of the litigation;
- B. the status of settlement efforts, if any; and
- C. the Attorney's Written Report.

3.9 Changes in the Litigation Special Assessment. If, at any time during the course of a civil action, the Board of Directors determines that the originally estimated total cost of the civil action or any revision thereof is inaccurate, the Board of Directors shall immediately prepare a revised estimate of the total cost of the civil action. If the revised estimate exceeds the Litigation Special Assessment previously approved by the Co-owners, the Board of Directors shall call a special meeting of the Co-owners to review the status of the litigation, and to allow the Co-owners to vote on whether to continue the civil action and increase the Litigation Special Assessment. The meeting shall have the same quorum and voting requirements as a Litigation Evaluation Meeting.

3.10 Disclosure of Litigation Expenses. The attorneys' fees, court costs, expert witness fees and all other expenses of any civil action filed by the Association (the "Litigation Expenses") shall be fully disclosed to Co-owners in the Association's annual budget. The Litigation Expenses for each civil action filed by the Association shall be listed as a separate line item captioned "litigation expenses" in the Association's annual budget.

3.11 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 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 arbitration), and upon written notice to the Association, shall be submitted to the American Arbitration Association in Grand Traverse County, Michigan and the parties hereto 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 arbitration.

3.12 Judicial Relief In the absence of the election and written consent of the parties pursuant to Section 3.1, above, neither any Co-owner nor the Association shall be precluded from petitioning the courts to resolve any disputes, claims or grievances.

3.13 Election Of Remedies Election and written consent by Co-owners or the Association and any Co-owner to submit any dispute, claim or grievance to arbitration shall preclude the parties from litigating any dispute, claim or grievance in the courts. Nothing contained in this Article III shall limit the rights of the Association or any Co-owner as set forth in Section 144 of the Act.

ARTICLE 4

INSURANCE

4.1 Extent Of Coverage The Association shall, to the extent appropriate in light of the nature of the General Common Elements of the Project, carry fire and extended coverage, vandalism and malicious mischief and liability insurance (in a minimum amount to be determined by the Developer or the Association in its discretion, but in no event less than \$2,000,000.00), officers' and directors' liability insurance, and workmen's compensation insurance if applicable, and any other insurance the Association may deem applicable, desirable or necessary, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium Project and the administration of the Condominium Project. Such insurance shall be carried and administered in accordance with the following provisions:

A. Responsibility of Association. All insurance shall be purchased by the Association for the benefit of the Association, the Developer and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners.

B. Insurance of Common Elements. If applicable and appropriate, all General Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. The Association shall not be responsible, in any way, for maintaining insurance with respect to Limited Common Elements, if any.

C. Premium Expenses. All premiums on insurance purchase by the Association pursuant to these Bylaws shall be expenses of administration.

D. Proceeds Of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, the Developer 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 Project unless all of the institutional holders of first mortgages on Units in the Project have given their prior written approval.

4.2 Authority Of Association To Settle Insurance Claims Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project and the General Common Elements appurtenant thereto, with such insurers as may from time to time provide such insurance for the Condominium Project. Without limiting 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 Developer, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to settle all insurance claims, to execute releases of liability and to execute all documents and to do all things on behalf of the Co-owners and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

4.3 Responsibilities Of Co-owners Each Co-owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the Unit owned by such Co-owner and for the Co-owner's personal property located therein or thereon or elsewhere on the Condominium Project. All policies shall contain standard mortgage clauses naming the mortgagees or the services of mortgages, as the case may be. There is no responsibility on the part of the Association to insure any such improvements or personal property whatsoever. All insurance each Co-owner is required to carry shall be an amount equal to the full replacement value, excluding foundation and excavation costs. Each Co-owner shall be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of his Unit or the improvements located thereon (naming the Association and the Developer as additional insureds), and also for any other personal insurance coverage that the Co-owner wishes to carry. Such insurance shall be carried in such minimum amounts as may be specified by the Association (and as specified by the Developer during the Development and Sales Period) and each Co-owner shall furnish evidence of such coverage to the Association or the Developer upon request. Each policy shall provide for notification to the Association and each first mortgage holder named in the mortgage clause at least 10 days prior to cancellation or material change in coverage. Each Co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner hereunder. In the event of the failure of a Co-owner to obtain such insurance or to provide evidence thereof to the Association, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefor shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article III hereof.

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

4.5 Indemnification Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer and the Association for all damages and costs, including attorneys' fees, which any other Co-owners, the Developer or the Association may suffer as a result of defending any claim arising out of an occurrence or within an individual Co-owner's Unit and shall carry insurance to secure this indemnity if so required by the Association (or the Developer during the Development and Sales Period). This Section 4.5 shall not be construed to give any insurer any subrogation rights or other right or claim against any individual Co-owner, whatsoever.

ARTICLE 5

RECONSTRUCTION OR REPAIR

5.1 Association Responsibility For Repair Except as otherwise provided in the Master Deed, the Association shall be responsible for the reconstruction, repair and maintenance of the General Common Elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property to 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 upon completion of the reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

5.2 Timely Reconstruction And Repair If damage to General Common Elements or a Unit adversely affects the appearance or utility of the Project, the Association or Co-owner responsibility for the reconstruction, repair and maintenance thereof shall thereafter proceed with replacement of the damaged property without delay.

5.3 Co-owner's Responsibility Each Co-owner shall be responsible for all landscaping, maintenance, decoration, repair and replacement required within his Unit, appurtenant Limited Common Elements and as otherwise provided in Article IV of the Master Deed.

5.4 Eminent Domain The following provisions shall control upon any taking by eminent domain:

A. Taking Of General Common Elements. If any portion of the General Common Elements is taken by eminent domain, the award shall be allocated to the Co-owners and their mortgagees in proportion to their respective undivided interests in the Common Elements and the affirmative vote of more than 50% of the Co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take any other action as they deem

appropriate. The Association, acting through its Board of Directors, may negotiate on behalf of all Co-owners for any taking of Common Elements and any negotiated settlement approved by not less than 66 2/3% of the Co-owners shall be binding on all Co-owners.

B. Taking Of Unit Or Improvements Thereon. In the event of any taking of all or any portion of a Unit or any improvements thereon by eminent domain, the award for that taking shall be paid to the Co-owner of that Unit and the mortgagee thereof, as their interests may appear, notwithstanding any provision of the Act to the contrary. If a Co-owner's entire Unit is taken by eminent domain, that Co-owner and his mortgagee shall, after acceptance of the condemnation award thereafter, be divested of all interest in the Condominium Project.

C. Continuation of Condominium After Taking. In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentage of value of the remaining Co-owners based upon the continuing value of the Condominium of 100%. The amendment may be affected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval by any Co-owner, but only with the prior written approval of all institutional holders of first mortgage liens on individual Units in the Project.

D. Notification of Mortgagees. 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 of the Condominium.

E. Applicability Of The Act. To the extent not inconsistent with the foregoing provisions, Section 133 of the Act shall control upon any taking by eminent domain.

5.5 Priority Of Mortgage Interests 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 Units pursuant to their mortgages in the case of a distribution to Unit Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

ARTICLE 6

ARCHITECTURAL AND BUILDING SPECIFICATIONS AND USE RESTRICTIONS

6.1 Architectural Review Committee No building, fence, wall, driveway, parking lot, sidewalk, outbuilding or other structure, landscaping or exterior improvement shall be commenced, erected or maintained on any Unit or any Limited Common Element appurtenant thereto, nor shall any exterior addition to or change or alteration therein or change in the exterior appearance thereof or change in landscaping be made until the plans and specifications showing the kind, size, shape, height, colors, materials, topography and location of the same on the Unit shall have been submitted to and approved in writing by the Architectural Review Committee (the "Committee"). The Committee shall be composed of two (2) persons appointed by the Developer.

Committee members are not required to be members of the Association, and may be employees, officers, directors, agents or affiliates of the Developer. Each member of the Committee shall serve until he or she resigns or is replaced by a subsequent appointee. The Developer shall delegate or assign its power of appointment of Committee members to its successors, assigns or to the Association after all Units in the Condominium have been sold to persons other than builders. The Developer may make such delegation at any time sooner in its sole discretion.

Neither the Developer nor the Committee shall have any liability whatsoever for the approval or disapproval of any plans or specifications.

6.2 Plans and Specifications Plans and specifications for final approval by the Committee shall include the following:

- A. Complete plans and specifications sufficient to secure a building permit in the Township, including a dimensional plot plan showing the Unit and placement of all improvements;
- B. Front elevation, side elevation and rear elevation of the building, plus elevations of any walls and fences;
- C. A perspective drawing, if deemed necessary by the Committee, to interpret adequately the exterior design;
- D. Data as to the size, materials, colors and texture of all exteriors, including roof coverings and any fences and walls;
- E. One set of blueprints to be left with the Committee until construction is completed;
- F. A complete set of landscaping plans; and
- G. Any other data, drawings or materials which the Committee requests in order to fulfill its function.

6.3 Disapproval Of Plans Or Improvements The Committee may disapprove plans because of non-compliance with any of the restrictions set forth in the Condominium Documents, or because of dissatisfaction with the grading and drainage plan, the location of the structure on the lot, the materials used, the color scheme, the finish, design, proportion, shape, height, style or appropriateness of the proposed improvements, landscaping or alteration of because of any matter of thing, which, in the judgment of the Committee, would render the proposed improvement or alteration inharmonious with or out of keeping with the objectives of the Committee, the Condominium, or with improvements erected or to be erected on other Units in the Project, including purely aesthetic considerations.

6.4 Approval Time Schedule In the event the Committee fails to approve or disapprove plans within thirty (30) days after proper submission, then such approval will not be required, but all other limitations, conditions and restrictions set forth in the Condominium Documents shall apply and remain in force as to such plans.

6.5 Committee Approval Committee approval shall be deemed given if the plans and specifications submitted for approval are marked or stamped as having been finally approved by the Committee and are dated and signed by two (2) members of the Committee who were validly serving on the Committee on the date of such approval.

6.6 Review Fee The Committee may charge a review fee to any Co-owner for the purposes of reviewing plans for the construction of a building. The fee may not be utilized for the purposes of paying salaries to any members of the Committee, but shall be utilized exclusively for the purposes of reimbursing actual expenses of the Committee, including but not limited to, professional review fees of independent consultants.

ARTICLE 7

BUILDING AND USE RESTRICTIONS

7.1 General Common Elements No building or any part thereof shall be erected on any part of the General Common Elements.

7.2 Lot Splits Lot splits or subdivisions of a Unit by Co-owners shall be permitted in accordance with the Act and applicable local or state ordinances. The rights of Co-owners hereunder to split or subdivide their unsold Unit shall in no way effect the rights of the Developer to consolidate two or more adjacent unsold Units or relocate any boundaries between adjoining Units, as provided in the Master Deed.

7.3 Maintenance of Improvements Each Co-owner, at his sole cost and expense, shall keep all improvements on his Unit in good condition and in good repair at all times.

ARTICLE 8

MORTGAGES

8.1 Notice to Association Any Co-owner who mortgages his 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 shall, at the written request of a mortgagee of any Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within 60 days.

8.2 Insurance The Association, upon request, 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.

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

ARTICLE 9

AMENDMENTS

9.1 Proposal Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third or more in number of the members or by instrument in writing signed by them. Prior to the Transitional Control Date, these Bylaws may be amended by the Developer without approval from any other person so long as any amendment does not materially alter or change the right of a Co-owner or mortgagee.

9.2 Meeting Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of the Association Bylaws.

9.3 Voting Except as expressly limited in Section 9.4, these Bylaws may be amended by the Association at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of not less than 66-2/3% of all Co-owners and, if the amendment will materially alter or change the rights of mortgagees, then also with the written consent of not less than 66-2/3% of all mortgagees.

9.4 When Effective Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon recording of the amendment in the Office of the Grand Traverse County Register of Deeds. Without the prior written consent of the Developer, no amendment shall be effective which will or might affect a right reserved to the Developer under the Condominium Documents.

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

ARTICLE 10**COMPLIANCE**

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

ARTICLE 11**REMEDIES FOR DEFAULT**

11.1 Relief Except as may otherwise have been agreed pursuant to Article III, any default by a Co-owner shall entitle the Association or another Co-owner to the following relief:

A. Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents or the Act shall be grounds for relief, which may include without 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, but in no event shall any Co-owner be entitled to recover such attorneys' fees.

C. Removal and Abatement. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or upon any Unit (but not inside any building) where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents; provided, however, that no construction shall be altered or demolished except pursuant to judicial process. The Association shall have no liability to any Co-owner arising out of any removal and abatement.

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

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

11.3 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 aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to that party at law or in equity.

11.4 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 terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

ARTICLE 12

ASSESSMENT OF FINES

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

12.2 Procedures Upon any such violation being alleged by the Board of Directors, the following procedures will be followed:

A. Notice. Notice of the violation (the "Notice"), including the Condominium Document provisions violated, together with a description of the factual nature of the alleged offense set forth with reasonable specificity sufficient to place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of the Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Subsection 1.3C of these Bylaws.

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

C. Default. Failure to respond to the Notice constitutes a default.

D. Hearing and Decision. Upon appearance by the Co-owner before the Board of Directors and presentation of evidence of defense, or, in the event of the Co-owner's default, the Board of Directors shall, by majority vote of a quorum of the Board of Directors, decide whether a violation has occurred. In the event there is a deadlock among the Board of Directors, the Co-owners agree to submit to binding arbitration subject to the provisions of Michigan law governing arbitration, MC Section 600.5001; MSA Section 27A.5001, as amended.

ARTICLE 13

RIGHTS RESERVED TO DEVELOPER

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

thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or retained by Developer or its successors shall expire and terminate, if not sooner assigned to the Association, at the conclusion of the Development and Sales Period as defined in Article III of the Master Deed. The immediately preceding sentence dealing with the expiration and termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, on to Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination and expiration of any Architectural review rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in any documents which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

ARTICLE 14

FIRST ANNUAL MEETING OF CO-OWNERS

14.1 The first annual meeting of members of the Association may be convened only by the Developer and may be called in the Developer's discretion, at any time on or before the earlier of the dates provided for the first annual meeting in this Article XIV. The date, time and place of meeting shall be set by the Board of Directors and at least 10 days' written notice shall be given to each Co-owner. Thereafter, an annual meeting shall be held on such date as is specified in the Association Bylaws. The phrase "Units that may be created" as used in this Section and elsewhere in the Condominium Documents means the maximum number of Units in all phases of the Condominium as stated in the Master Deed.

14.2 Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 25% of the Units that may be created, at least one director and not less than 25% of the Board of Directors of the Association shall be elected by non-Developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 50% of the Units that may be created, not less than 33-1/3% of the Board of Directors shall be elected by non-Developer Co-owners. Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 75% of the Units that may be created, and before conveyance of 90% of the 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 10% of the Units in the Project or as long as 10% of the Units that may be created remain unsold. When the required percentage levels of conveyance have been reached, the Developer shall notify the non-Developer Co-owners and request that they hold a meeting and elect the required Director or Directors, as the case may be.

14.3 Notwithstanding the formula provided in Section 14.2, above, 54 months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, if title to not less than 75% of the Units that may be created have not been conveyed, the first annual meeting shall be called and the non-Developer Co-owners have the right to elect as provided in the Condominium Documents, a number of members of the Board of Directors of the Association 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 of Directors equal to the percentage of Units which are owned by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in Section 14.2. Application of this Subsection does not require a change in the size of the Board of Directors as determined in the Condominium Documents.

14.4 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 Section 14.2, 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 Section 14.3 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 member as provided in Subsection A.

ARTICLE 15

ADVISORY COMMITTEE

15.1 Within one year after conveyance of legal or equitable title to the first Unit in the Condominium to a non-Developer Co-owner or within 120 days after conveyance to purchasers of legal or equitable title to one-third of the total number of Units that may be created, whichever first occurs, an advisory committee (the "Advisory Committee") of non-Developer Co-owners shall be established. The Advisory Committee shall meet with the Condominium Board of Directors for the purpose of facilitating communication and aiding the transition of control to the Association. The Advisory Committee shall cease to exist automatically when a majority of the Board of Directors of the Association is elected by non-Developer Co-owners. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE 16**BOARD OF DIRECTORS**

16.1 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 affiliated or related thereto) at reasonable compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. In the event the Board of Directors does employ professional management for the Association, the Board of Directors shall secure the written approval of each institutional holder of a first mortgage lien on any Unit prior to terminating professional management and assuming self-management. In no event shall the Board of Directors be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than three years or which is not terminable by the Association upon 90 days' written notice thereof and without payment of a termination fee to the other party, and no such contract shall violate the provisions of Section 55 of the Act. In addition to the foregoing, any contract for management or other services by and between the Association and the Developer or any affiliate of the Developer shall provide that such contract is voidable by the Board of Directors of the Association on the Transitional Control Date or within 90 days thereafter, and on 30 days' notice at any time thereafter for cause. To the extent any management contract extends beyond one year after the Transitional Control Date, the excess period under the contract may be voided by the Board of Directors of the Association by notice to the management at least 30 days before the expiration of the one-year period.

16.2 Actions Of The 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 in any undertakings 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 members, shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the members of the Association at the first or any subsequent annual meeting of members, provided that such actions are consistent with the powers and duties of the Board of Directors described in these Bylaws, the Association Bylaws, or any other Condominium Document.

16.3 Officers The Association Bylaws shall provide for the designation, number, terms of office, qualifications, manner of election, duties, matter of removal and replacement of the officers of the Association and doing of all things not prohibited by the Condominium Documents or required by the Condominium Documents to be exercised and done by the Co-owners. The Association Bylaws may contain any other provisions pertinent to the officers of the Association.

ARTICLE 17**RECORDS**

17.1 The Association shall keep detailed books of account showing all expenditures and receipts of administration 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. 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 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. The Association also shall maintain on file current copies of the Master Deed for the Project, any amendments thereto and all other Condominium Documents and shall permit all Co-owners, prospective purchasers and prospective mortgagees interested in the Project to inspect them during reasonable hours.

ARTICLE 18

INDEMNIFICATION OF OFFICERS AND DIRECTORS

18.1 Third-Party Actions The Association shall indemnify a person who was or is a party or is threatened to be made a party to a threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, other than an action by or in the right of the corporation, by reason of the fact that the person is or was a Director or officer of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against expenses, including attorneys' fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit, or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association or its shareholders, and with respect to a criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association or its shareholders, and, with respect to a criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

18.2 Actions In The Right Of The Association The Association shall indemnify a person who was or is a party to or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that the person is or was a Director or officer of the Association, or is or was serving at the request of the Association as a director, officer, partner or trustee of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses, including actual and reasonable attorneys' fees, and amounts paid in settlement incurred by the person in connection with the action or suit, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association or its shareholders. However, indemnification shall not be made for a claim, issue, or matter in which the person has been found liable to the Association unless and only to the extent that the court in which the action or suit was brought has determined upon

application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

18.3 Mandatory And Permissive Payments To the extent that a Director or officer of the Association has been successful on the merits or otherwise in defense of an action, suit, or proceeding referred to in Section 18.1 or Section 18.2, or in defense of a claim, issue, or matter in the action, suit, or proceeding, the successful party shall be indemnified against expenses, including actual and reasonable attorneys' fees, incurred by him or her in connection with the action, suit, or proceeding and an action, suit, or proceeding brought to enforce the mandatory indemnification provided in this Section.

An indemnification under Section 18.1 or Section 18.2, unless ordered by a court, shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director or officer is proper in the circumstances because a person has met the applicable standard of conduct set forth in Sections 18.1 and 18.2. This determination shall be made in any of the following ways:

- A. By a majority vote of a quorum of the Board of Directors consisting of Directors who were not parties to the action, suit, or proceeding.
- B. If the quorum described in Subsection A is not obtainable, then by a majority vote of a committee of Directors who are not parties to the action. The committee shall consist of not less than two disinterested Directors.
- C. By independent legal counsel in a written opinion.
- D. By the shareholders.

If a person is entitled to indemnification hereunder for a portion of expenses including attorneys' fees, judgments, penalties, fines and amounts paid in settlement but not for the total amount thereof, the Association may indemnify the person for the portion of the expenses, judgment, penalties, fines or amounts paid in settlement for which the person is entitled to be indemnified.

18.4 Expenses Advances Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Section 18.1 or Section 18.2 may be paid by the Association in advance of the final disposition of the action, suit, or proceeding upon receipt of an undertaking by or on behalf of the Director or officer to repay the expenses if it is ultimately determined that the person is not entitled to be indemnified by the Association. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.

18.5 Insurance The Association may purchase and maintain insurance on behalf of any person who is or was a Director or officer of the Association, or is or was serving at the request of the Association as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have power to indemnify him against such liability under Section 18.1 and 18.2. However, the

total amount of expenses advanced pursuant to Section 18.4 or indemnified from all sources combined shall not exceed the amount of action expenses incurred by the person seeking indemnification or advancement of expenses.

18.6 Constituent Corporations For the purposes of this Article 18, references to the Association include all constituent corporations absorbed in a consolidation or merger and the resulting or surviving corporation, so that a person who is or was a Director or officer of such constituent corporation or is or was serving at the request of such constituent corporation as a director or officer of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise whether for profit or not shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity.

18.7 Continuation Of Indemnification The indemnification provided for in this Article XVII continues as to a person who ceases to be a Director or officer and shall inure to the benefit of the heirs, executors, and administrators of the person.

ARTICLE 19

SEVERABILITY

19.1 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 these documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

[End of Bylaws]

#740476 v3 - Condominium Bylaws

BYLAWS

OF

LAKE POINTE OWNERS ASSOCIATION

(hereinafter referred to as the "Corporation")

ARTICLE I

Adoption

These Bylaws of Lake Pointe Owners Association, a Michigan nonprofit corporation (the "Corporation"), are adopted pursuant to the Michigan Nonprofit Corporation Act, Act 162 of the Public Acts of 1982, as amended (the "Act"). Any terms defined in the Declaration shall have the same definition in these Bylaws.

ARTICLE II

Offices

Section 1. Location. The principal office of the Corporation in the State of Michigan shall be located in the City of Farmington Hills, County of Oakland.

Section 2. Change. The Board of Directors (the "Board") may change the principal office of the Corporation from time to time and may establish other offices, either within or without the State of Michigan, as the business of the Corporation may require.

ARTICLE III

Membership and Membership Meetings

Section 1. Membership Qualifications. Membership in the Corporation shall be limited to those persons who are the Fee Owners of a Lot described in the real property described in Exhibit A attached hereto and made a part hereof. Every Fee Owner shall be a member of the Corporation, and such membership may not be separated from ownership of a Lot.

Section 2. Voting by Members. Voting rights shall be determined by the percentage of acreage owned by each Fee Owner as provided in the Amendatory Agreement in Exhibit B attached hereto with respect to matters regarding the sign and in Exhibit C attached hereto with respect to matters regarding the road. If more than one person is a Fee Owner of any given Lot, all such persons shall be members of the Corporation, but only one such person, to be decided upon among all the Fee Owners of the Lot in question, shall be entitled to exercise the vote for such Lot.

Section 3. Removal of Members. Intentionally Deleted.

Section 4. Quorum. Unless otherwise provided in the Corporation's Articles of Incorporation (the "Articles"), the presence in person or by proxy of a majority of the members entitled to vote shall constitute a quorum for the transaction of business at any meeting. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 5. Annual Meetings. The annual members' meeting shall be held at such time and on such day as the Board shall annually determine, for the purposes of electing directors, hearing reports of the affairs of the Corporation and transacting any other business within the power of the members. If the election of Directors shall not be held on the day designated herein for an annual meeting, or at any adjournment thereof, the Board may cause the election to be held at a members' special meeting as soon thereafter as one may be conveniently called and noticed for that purpose.

Section 6. Special Meetings. Members' special meetings shall be noticed by the Secretary whenever called by the President, the Board or requested by not less than one-fifth (1/5) of the members of the Corporation entitled to vote. The request shall state the purpose or purposes for which the meeting is to be called, and the business transacted at any such meeting shall be limited to the purpose or purposes stated in the notice thereof.

Section 7. Place of Meeting. The Board may specifically designate any place either within or without the State of Michigan as the place of meeting for any members' annual or special meeting. If no such designation is made or if a special meeting is called other than at the request of the Board, the place of meeting shall be the registered office of the Corporation in the State of Michigan.

Section 8. Written Notice. Notice of any members' annual meeting shall specify in writing the place, day and hour thereof and shall be given by the Secretary to each such member entitled to vote thereat not less than ten (10) nor more than sixty (60) days before each such meeting. Such written notice shall constitute due, legal, and personal notice to each such shareholder if it is given by:

- (a) delivering it to such shareholder personally; or
- (b) sending it to him by mail, telegraph, or other means of written communication, charges prepaid, addressed to him at:
 - (i) his address as it appears on the books of the Corporation; or

(ii) such other address as he may have requested in writing that the Corporation use for the purpose of giving such notice; or

(iii) by publishing it at least once in each of three consecutive weeks in some newspaper of general circulation in the County in which that office is located if his address does not appear on the records of the Corporation and he has not requested in writing that the Corporation use any address for such notice.

If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail postage prepaid and addressed to the member at any such address. Except in extraordinary circumstances where express provision is made allowable by statute, notice of any members' special meeting shall be given in the same manner as for members' annual meetings.

Attendance of a person at a meeting of members, in person or by proxy, constitutes a waiver of notice of the meeting, except when the member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 9. **Adjourned Meetings and Notice Thereof.** Any members' annual or special meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the members present in person or represented by proxy thereat; in the absence of a quorum no other business may be transacted at such meeting.

A meeting may be adjourned to another time or place without giving notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken and at the adjourned meeting only such business is transacted as might have been transacted at the original meeting.

Section 10. **Voting.** All questions, except those regulated by statute or specifically provided for herein or in the Articles, shall be determined by a majority vote, based on the percentage of acreage owned, of the members constituting a quorum.

Section 11. **Consent of Absentees.** The transactions of any members' annual or special meeting, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present either in person or by proxy and if, either before or after the meeting, each of the members, who was entitled to vote but was not present in person or by proxy, signs a written waiver of notice and written consent to the holding of such meeting or a written approval of the minutes thereof. All such waivers and consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 12. **Action Without Meeting.**

(a) If the Articles so provide, any action required or permitted to be taken at a members' annual or special meeting under any provision of the Act may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the members having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all members entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to members who have not consented in writing.

(b) If the Articles do not contain the provision described in subsection (a) hereof, any action required or permitted to be taken at a members' meeting under any provision of the Act may be taken without such a meeting if authorized by a writing signed by all of the persons who would be entitled to vote upon such action at such a meeting. Such consent shall have the same effect as a unanimous vote of members.

Section 13. **Proxies.** Every person entitled to vote or execute consents or dissents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such person or his duly authorized agent and filed at or before the meeting at which they are intended to be used with the Secretary of the Corporation. No such proxy shall be valid after the expiration of one (1) year from the date of its execution. Any proxy duly executed shall be deemed not to have been revoked and to be in full force and effect and, in the absence of any limitation to the contrary contained in the proxy, it shall extend to all members' meetings, unless and until an instrument revoking said proxy or a duly executed proxy bearing a later date is filed with the Secretary of the Corporation. A proxy shall be deemed sufficient if it appears on its face to confer the requisite authority and is signed by the member for whom it is to be voted; no witnesses to the execution of any proxy shall be required.

Section 14. **Order of Business at Annual Meeting.** The Order of business at the members' annual meeting or at any adjourned members' annual meeting shall be as follows:

- (a) Counting of members present in person or by proxy to determine if a quorum exists;
- (b) Reading of Notice and Proof of Mailing;
- (c) Reading of Minutes of Previous Meeting or Meetings;
- (d) Report of President;
- (e) Report of Secretary;

- (f) Report of Treasurer;
 - (g) Report of Board of Directors;
 - (h) Election of Directors;
 - (i) Transaction of such other business as may properly come before the meeting;
- and
- (j) Adjournment.

However, in the absence of any member's objection, the presiding officer at any such meeting may vary the order in his discretion.

Section 15. **Removal of Directors.** The members may remove any member of the Board at any special meeting called for that purpose or by consent in the manner set forth in the Act and the members may elect a Director to fill the vacancy thus created at that meeting, at any other meeting called for the purpose of filling that vacancy, or by consent.

Section 16. **Inspectors of Election.** Whenever any person entitled to vote at any members' meeting shall request the appointment of persons to inspect any election, the Board, prior to the meeting, or the person presiding at such meeting shall appoint not more than three (3) inspectors, who need not be members. If the right of any person to vote at such meeting shall be challenged, the inspectors shall determine such right. The inspectors shall receive and count the votes either for any election or for the decision of any questions and shall determine the result. Their certificate of any vote shall be prima facie evidence thereof.

Section 17. **Meeting By Telephone.** Any member may participate in any meeting of the members by a conference telephone or similar communications equipment by which all persons participating in the meeting may hear each other. All participants shall be advised of the communications equipment. The names of the participants in the conference shall be divulged to all participants. If a member participates in a meeting pursuant to this section, he shall be deemed to be actually present at the meeting for all purposes.

ARTICLE IV

Directors and Meetings of the Board of Directors

Section 1. **Powers.** All of the powers of this Corporation not expressly reserved to or conferred upon the members by statute, the Articles, or these Bylaws shall be vested in the Board which shall control and manage the Corporation's business and affairs.

Section 2. **Number of Directors.** The authorized number of Directors of the Corporation shall be not less than 3 nor more than 9, as determined by the Board.

Section 3. **Election, Term of Office and Qualification of Directors.**

(a) All Directors holding office at any time shall be members or spouses of members of this Corporation. Except as provided in Subsection (b) below, the Directors, other than those serving on the first Board, shall be elected at each members' annual meeting or otherwise as provided in Article III, Section 6, above. All Directors shall hold office until their respective successors are duly elected and qualified. The first Board shall hold office until the first annual meeting or until their successors are elected and qualified, whichever event last occurs;

(b) The Articles or a Bylaw adopted by the members may provide that in lieu of annual election of all Directors the Directors be divided into two or three classes, each to be as nearly equal in number as possible. The term of office of Directors in the first class shall expire at the first annual meeting of members after their election, that of the second class shall expire at the second annual meeting after their election, and that of the third class, if any, shall expire at the third annual meeting after their election. At each annual meeting after such classification a number of Directors equal to the number of the class whose term expires at the time of the meeting shall be elected to hold office until the second succeeding annual meeting if there are two classes, or until the third succeeding annual meeting if there are three classes.

Section 4. **Vacancies.** A vacancy in the Board shall be deemed to exist if any of the following events occurs:

- (a) Any Director dies;
- (b) The authorized number of Directors is greater than the number of Directors on the Board; or
- (c) At any members' meeting at which one or more Directors are to be elected, the members then fail to elect the full authorized number of Directors.

Vacancies in the Board may be temporarily filled by a majority of the remaining Directors, though less than a quorum, or by a sole remaining Director making such appointment, and each Director so appointed shall hold office until his successor is elected at a members' annual or special meeting and is qualified.

The members may elect a Director at any time to fill any vacancy temporarily filled or not filled by the one or more remaining Directors. If the Board accepts the resignation of a Director

tendered to take effect at a future time, the Board or the members shall have the power to elect immediately a successor to take office when such resignation is intended to become effective.

Section 5. **Place of Meeting.** Regular Board meetings shall be held at any place within or without the State of Michigan which has been designated from time to time by resolution of a majority of the Board or by written consent of a majority of the members of the Board given either before or after the meeting and filed with the Secretary of the Corporation. In the absence of such designation, regular meetings shall be held at the registered office of the Corporation. Any special Board meeting may be held at any place designated with the written consent of a majority of the members of the Board; otherwise special Board meetings shall be held at the registered office of the Corporation in the State of Michigan.

Section 6. **Organization Meeting.** Immediately following each members' annual meeting and each adjourned annual and members' special meeting held for the purpose of electing a new Board, the newly elected Board may hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of each such meeting need not be given and is hereby dispensed with.

Section 7. **Other Regular Meetings.** Board meetings may be regularly scheduled for dates, times and places as determined by the Board, and in such case notice of such meetings need not be given and is hereby dispensed with.

Section 8. **Special Meetings and Notice Thereof.** Special Board meetings for any purpose or purposes, may be called at any time by any director or by the President or, if he is absent or unable to act, by any Vice President. The business transacted at any such meeting shall be limited to the purpose or purposes stated in the notice thereof.

Written notice of the place, day, and hour of special Board meetings shall be given to each Director and constitute due, legal, and personal notice to him if that notice is delivered personally to him or sent to him by mail, telegraph, or other means of written communication, charges prepaid, addressed to him at his address as it is shown upon the records of the Corporation or, if such address is not so shown on such records or is not readily ascertainable, at the place in which the regular Board meetings are held. If mailed or telegraphed, such notice shall be deposited in the United States Mail or delivered to the telegraph company in the place which the principal office of the Corporation in the State of Michigan is located at least forty-eight (48) hours prior to the time of holding the meeting; if mailed, such notice shall be deemed to be delivered when deposited in the United States Mail postage prepaid and addressed as set forth above.

Section 9. **Notice of Adjournment.** Notice of the time and place of holding an adjourned Board meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned provided that the meeting is not adjourned for more than thirty (30) days.

Section 10. **Waiver of Notice.** The attendance of a Director at any Board meeting shall constitute a waiver of notice of such meeting, except where a Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called, noticed, or convened.

The transactions of whatever kind or nature held at any Director meeting, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the Directors not present signs a written waiver of notice of the meeting and a written consent to holding such meeting, or a written approval of the minutes thereof. All such waivers and consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

In addition, any action required or permitted to be taken by the Board under the Act may be taken without a meeting, if all the Directors shall individually and collectively consent in writing to such action. Such written consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors at a duly called, noticed, and held Board meeting. Any certificate or other document filed under any provision of the Act which relates to action so taken shall state that the action was taken by unanimous written consent of the Board without a meeting and that these Bylaws authorized the Directors so to act, and such statement shall be prima facie evidence of such authority.

Section 11. **Quorum.** Except to adjourn the meeting as hereinafter provided, a majority of the Board without regard to the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board unless a greater number be required by law, the Articles, or these Bylaws.

Section 12. **Adjournment.** A quorum may adjourn any Board meeting to meet again at a stated place, date, and hour; however, in the absence of a quorum a majority of the Directors present at any regular or special Board meeting may adjourn from time to time until the time fixed for the next regular Board meeting.

Section 13. **Fees and Compensation.** By resolution of the Board, the Directors shall not be paid their expenses, if any, of attendance at each Board meeting nor a fixed sum for attendance at each Board meeting or a stated salary as Director. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity as an officer, agent, employee or otherwise and receiving a separate compensation therefor.

Section 14. **Presumption of Assent.** A Director who is present at any Board meeting at which action on any corporate matter is taken shall be presumed to have assented to any action taken by the Board at that meeting unless his dissent shall be entered in the minutes of the meeting or he shall file his written dissent to such action with the person acting as the Secretary of the

meeting before the adjournment thereof or he shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 15. **Executive Committees.** The Board, by resolution passed by a majority of the whole Board, may provide for an Executive Committee by appointing two (2) or more members thereto, each of whom shall be a Director and who shall serve during the pleasure of the Board. Unless one of the members shall have been designated as Chairman of the Board, the Executive Committee shall elect a Chairman from its own members. Except as provided herein or otherwise by resolution of the Board, the Executive Committee during the intervals between Board meetings shall possess and may exercise all of the powers of the Board in the management of the business and affairs of the Corporation. The Executive Committee shall keep full and fair records and accounts of its proceedings and transactions. All actions taken by the Executive Committee shall be reported to the Board at its meeting next succeeding such action and shall be subject to revision and alteration by the Board, except that no rights of third persons created in reliance thereon shall be affected by any such revision or alteration. Vacancies in the Executive Committee shall be filled by the Board.

Subject to provisions of these Bylaws, the Executive Committee shall fix its own rules of procedure and shall meet as provided by such rules, by resolution of the Board, or at the call of the President or Secretary of the Corporation or of any two (2) members of the committee. Unless otherwise provided by such rules, the provisions of the Bylaws relating to the notice required to be given to Directors shall apply to all meetings of the Executive Committee. A majority of the Executive Committee shall be necessary to constitute a quorum.

Section 16. **Other Committees.** The Board may by resolution provide for such other standing or special committees as it deems desirable and discontinue the same at its pleasure. Each such committee shall have such powers and perform such duties not inconsistent with law, as may be assigned to it by the Board. If provision be made for any such committee, the members thereof shall be appointed by the Board, shall consist of one or more members of the Board and shall serve during the pleasure of the Board. Vacancies in such committees shall be filled by the Board.

ARTICLE V

Officers

Section 1. **Officers.** The officers of the Corporation shall be a President, a Secretary, and a Treasurer, all of whom must be members of the Corporation. The Corporation may also have in the discretion of the Board, a Chairman of the Board, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article IV. One person may hold

two or more offices. In no case shall any officer execute, acknowledge or verify any instrument in more than one capacity.

Section 2. **Election.** The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Sections 3 or 5 of this Article V, shall be chosen by the Board, and each shall hold his office until he shall resign, until he shall be removed or otherwise disqualified to serve, or until his successor shall be elected and qualified.

Section 3. **Subordinate Officers and Agents.** The Board may appoint such other officers and agents as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as may be provided in these Bylaws or as the Board may from time to time determine.

Section 4. **Removal and Resignation.** Any officer or agent may be removed by a majority of the whole Board at the time in office at any regular or special Board meeting.

Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

Section 6. **Chairman of the Board.** The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board and shall exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or prescribed by these Bylaws.

Section 7. **President.** Subject to such powers and duties, if any, as may be given to the Chairman of the Board by the Board or prescribed by these Bylaws, the President shall be the chief executive officer of the Corporation and shall, subject to the control of the Board, have general supervision, direction and control of the business and affairs of the Corporation. He shall preside at all members' meetings and, in the absence of the Chairman of the Board or if there be no such Chairman, at all Board meetings. He shall be *ex officio* a member of all the standing committees, including the executive committee, if any; shall have the general powers and duties of management usually vested in the office of President of a corporation; shall see that all orders and resolutions of the Board are carried into effect; and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 8. **Vice Presidents.** In the event of the President's absence or disability, the Vice

Presidents, if more than one, in order of their rank as fixed by the Board or, if not ranked, the Vice President designated by the Board shall perform all the duties of and shall be subject to all the restrictions upon the President. The Vice Presidents shall have such other powers and authority and shall perform such other duties as from time to time may be prescribed for them respectively by the Board or these Bylaws.

Section 9. **Secretary.** The Secretary shall attend all members' meetings and all Board meetings and shall keep or cause to be kept, in his custody at the principal or registered office of the Corporation in the State of Michigan or such other place as the Board may order, a book recording the minutes of all Board and members' meetings setting forth: the place, date, and hour of holding; whether regular or special, and, if special, how authorized; the notice thereof given; the names of those present at Board meetings; the number of shares present or represented at members' meetings; and the proceedings thereof.

The Secretary shall keep or cause to be kept at the registered office of the Corporation in the State of Michigan or at the office of the Corporation's transfer agent, a list showing the names of the members and their addresses.

The Secretary shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same or cause the same to be affixed to any instrument requiring it; when so affixed, the seal shall be attested by his signature or by the signature of the Treasurer or the Assistant Secretary. The Secretary shall perform such other duties and have such other authorities as are delegated to him by the Board.

The Secretary shall give or cause to be given notice of all Board and members' meetings required by these Bylaws or by law.

Section 10. **Assistant Secretaries.** In the event of the Secretary's absence or disability, any Assistant Secretary shall act as Secretary in all respects. The Assistant Secretaries shall exercise such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board, the President, the Secretary, or these Bylaws.

Section 11. **The Treasurer.** The Treasurer shall, subject to the direction of the Board, have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation.

The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositaries as may be designated by the Board; shall disburse the funds of the Corporation as may be ordered by the Board; shall render to the President and the Board, whenever either requests it, an account of all of his transactions as Treasurer and of the financial condition of the Corporation; and shall have such other powers and authority incident to the office of Treasurer and shall perform such other duties as may be prescribed by the Board or these

Bylaws.

Section 12. **Assistant Treasurers.** In the event of the Treasurer's absence or disability, the Assistant Treasurer shall act as Treasurer in all respects. The Assistant Treasurer shall exercise such other powers and perform such other duties as from time to time may be prescribed for him by the Board of Directors, the President, the Treasurer, or these Bylaws.

ARTICLE VI

Miscellaneous

Section 1. **Annual Report.** The corporation shall cause a financial report of the Corporation for the preceding fiscal year to be made and distributed to each member thereof within four (4) months after the end of the fiscal year, or on or before one (1) week prior to the members' annual meeting whichever first occurs. The report shall include the corporation's year-end balance sheet and, if prepared by the Corporation, its statement of source and application of funds.

Section 2. **Loans.** No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances. No loan or advance to or overdraft or withdrawal by an officer, Director, or member of the Corporation shall be made or permitted.

Section 3. **Representation of Shares of Other Corporations.** The President or by a proxy appointed by him; or, in the absence of the President and his proxy, the Treasurer or by a proxy appointed by him; or, in the absence of both the President and the Treasurer and their proxies, the Secretary or by a proxy appointed by him are authorized in that order to vote, represent, and exercise on behalf of this Corporation all rights incident to any and all shares of other corporations standing in the name of this Corporation. The Board, however, may by resolution appoint some other person to vote such shares.

Section 4. **Indemnification.**

(a) The Corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a Director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such suit or

proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation or its members, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation or its members, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The corporation shall have power to indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a Director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation, as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation or its members and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) Indemnification against expenses:

(1) to the extent that a Director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to above in Subsections (a) and (b), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(2) any indemnification under Subsections (a) and (b) above (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Subsections (a) and (b). Such determination shall be made in either of the following ways:

(i) by the board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding.

(ii) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs by independent legal counsel in a written opinion.

(iii) by the members.

(d) Expenses incurred in defending a civil or criminal action, suit or proceeding described in Subsections (b) or (c) above may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in paragraph (2) of Subsection (c) upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation.

ARTICLE VII

Execution of Instruments

Section 1. **Bank Accounts.** Each bank account of the Corporation shall be established and continued only by order of the Board.

Section 2. **Checks, Etc.** All checks, drafts, and orders for the payment of money shall be signed in the name of the Corporation in such manner and by such officers or agents as the Board shall from time to time designate for that purpose. No check or other instrument for the payment of money to the Corporation shall be endorsed otherwise than for deposit to the credit of the Corporation. All checks of the Corporation shall be drawn to the order of the payee.

Section 3. **Contracts, Conveyances, Etc.** When the execution of any contract, conveyance or other instrument has been authorized without specification of the executing officers, the President or any Vice President and the Secretary or Treasurer may execute the same in the name and on behalf of this Corporation and may affix the corporate seal thereto. The Board shall have power to designate the officers and agents who shall have authority to execute any instrument on behalf of the Corporation in more than one capacity.

Notwithstanding anything contained herein to the contrary, no officer, agent or employee of this Corporation shall have the authority to disburse monies or other property to other persons, to obligate the Corporation to do or perform any act, to make any payments of money or property, or to execute any of the instruments described herein on behalf of this Corporation other than in the ordinary course of business unless he shall have previously obtained the approval of the Board and unless such approval or ratification shall appear in the minutes of this Corporation.

ARTICLE VIII

Right of Inspection

Section 1. Inspection of Bylaws. The Corporation shall keep in its registered or principal office the original or a copy of these Bylaws and the Articles as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by all shareholders during regular business hours.

Section 2. Inspection of Records. A person who is a member of record of the Corporation, upon at least ten (10) days' written demand may examine for any proper purpose in person or by agent or attorney, during usual business hours, its minutes of members' meetings and record of members' and make extracts therefrom, at the places where the said records are kept.

ARTICLE IX

Fiscal Year

The Corporation's fiscal year shall be determined by the Board.

ARTICLE X

Seal

The Corporation may have a seal which shall have inscribed thereon the name of the Corporation, the state of incorporation, and the words "Corporate Seal." The seal may be used by causing it or a facsimile to be imprinted, affixed, reproduced, or otherwise.

The corporate seal of this Corporation shall be of the design impressed herein, which is hereby adopted as the corporate seal of the Corporation.

ARTICLE XI

Dissolution

In the event of the dissolution, winding up, or other liquidation of the Corporation, after provision has been made for the payment of all of the liabilities of the Corporation, all of the assets of the Corporation shall be distributed to the members of the Corporation on the basis of the number of Lots then held by each such member; provided, however, that if an asset of the Corporation consists of the unpaid obligations of a member, that obligation, limited to the amount

of the distribution to be made to that member, shall be distributed to that member.

ARTICLE XII

Amendments

These Bylaws may be added to, altered, amended, or repealed:

(1) By consent of the Directors then in office, or by the vote of not less than two-thirds (2/3) of the Directors then in office at any regular or special meeting, if written notice of the proposed addition, alteration, amendment, or repeal shall have been given to each Director at least five (5) days before the meeting; or waived in writing; or

(2) By consent of the members or by the members at any annual or special meeting if notice of the proposed addition, alteration, amendment, or repeal shall have been included in the notice of such special meeting or waived in writing.

#755301 v1 - Bylaws for Lake Pointe Owners Association

EXHIBIT A

LEGAL DESCRIPTION

Part of the Northwest 1/4 of the Southwest 1/4 of Section 14, Town 27 North, Range 11 West, Garfield Township, Grand Traverse County, Michigan, more fully described as follows:

Commencing at the Southwest corner of Section 14; thence N 00°36'50" W, 1309.96 feet to the South 1/8 line of said Section 14; thence S 89°50'59" E, 830.45 feet (previously recorded as S 89°53'32" E) along said 1/8 line to the POINT OF BEGINNING; thence N 17°49'09" W, 179.93 feet, along a traverse line along the shore of the Boardman River; thence N 46°34'28" W, 641.79 feet, along said traverse line to a point on a traverse line along the shore of Boardman Lake; thence along said traverse line of Boardman Lake the following two courses; N 13°56'40" E, 229.12 feet; thence N 50°57'14" E, 51.50 feet; thence S 12°28'06" E, 167.70 feet; thence S 42°13'06" E, 60.00 feet; thence N 89°21'55" E, 279.99 feet; thence N 42°01'43" E, 138.63 feet; thence S 47°58'07" E, 166.56 feet; thence East, 201.56 feet; thence S 19°15'06" E, 73.03 feet; thence N 89°35'35" E, 102.75 feet, to the West 1/8 line of said Section 14; thence S 00°26'21" E, 584.67 feet, along said West 1/8 line; thence N 89°50'59" W, 487.66 feet, along said South 1/8 line to the POINT OF BEGINNING.

Containing 11.329 acres.

Subject to the right-of-way of South Airport Road and Park Drive over the Southerly and East 43 feet thereof, respectively.

Subject to other easements and restrictions.

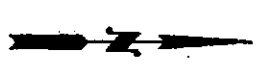
EXHIBIT B

PERCENTAGES FOR SIGN LEASEMENT

Crooked Tree Girl Scout Council	33% (1)
Lake Pointe Village Condominium	67%

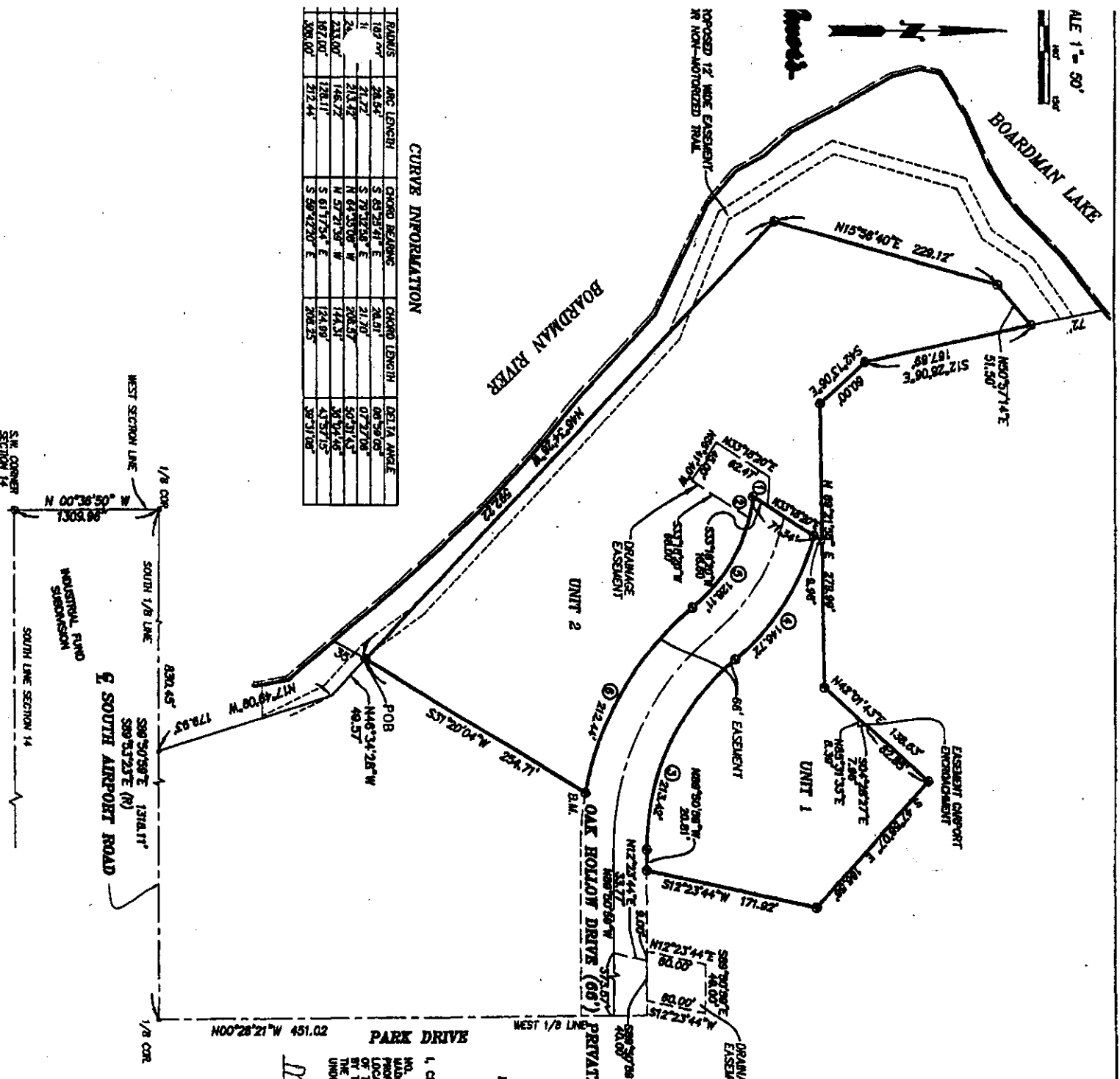
(1) Please note if the Crooked Tree Girl Scout Council elects to not be part of the signage then the Lake Pointe Village Condominium Association will have 100%.

AL 1" = 50'



PLAINS	ARC LENGTH	CHORD BEARING	CHORD LENGTH	DELTA ANGLE
1	24.64'	S 63°23'41" E	24.61'	0°59'05"
2	21.22'	S 70°12'58" E	21.20'	0°17'20"
3	21.22'	N 64°25'08" W	20.83'	50°01'45"
4	23.00'	N 48°12'58" W	24.31'	36°12'46"
5	187.00'	S 61°17'54" E	174.09'	47°57'15"
6	108.00'	S 59°42'20" E	104.25'	38°31'08"

CURVE INFORMATION



- LEGEND
- = VULNER BOUNDARY MONUMENT
 - = 4" x 36" CONC. W/OL. & CAP 458000
 - = MINOR BOUNDARY MONUMENT
 - = SET 1/2" x 18" REBAR & CAP 458000
 - △ = BENCHMARK
 - POB = POINT OF BEGINNING

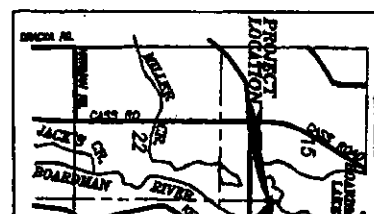
BENCH MARK:
TOP OF MONUMENT
AT 511' R/W OF
OAK HOLLOW DR
ELEV. 628.57

I, CHRISTY L. ANDERSEN, PROFESSIONAL LAND SURVEYOR OF THE STATE OF MICHIGAN, DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT STATEMENT OF THE SURVEY MADE BY ME OR UNDER MY CLOSE PERSONAL SUPERVISION AND IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE BOARD OF LAND SURVEYORS OF THE STATE OF MICHIGAN, AND THAT THE SURVEY WAS MADE IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE BOARD OF LAND SURVEYORS OF THE STATE OF MICHIGAN, AND THAT THE SURVEY WAS MADE IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE BOARD OF LAND SURVEYORS OF THE STATE OF MICHIGAN.

DATE: March 16, 2001



CHRISTY L. ANDERSEN
PROFESSIONAL LAND SURVEYOR
LICENSE NO. 30074
ELMER'S CONSTRUCTION ENGINEERING
3600 REINER SCHOOL ROAD
P.O. BOX 9130
TRAVERSE CITY, MICHIGAN 49608



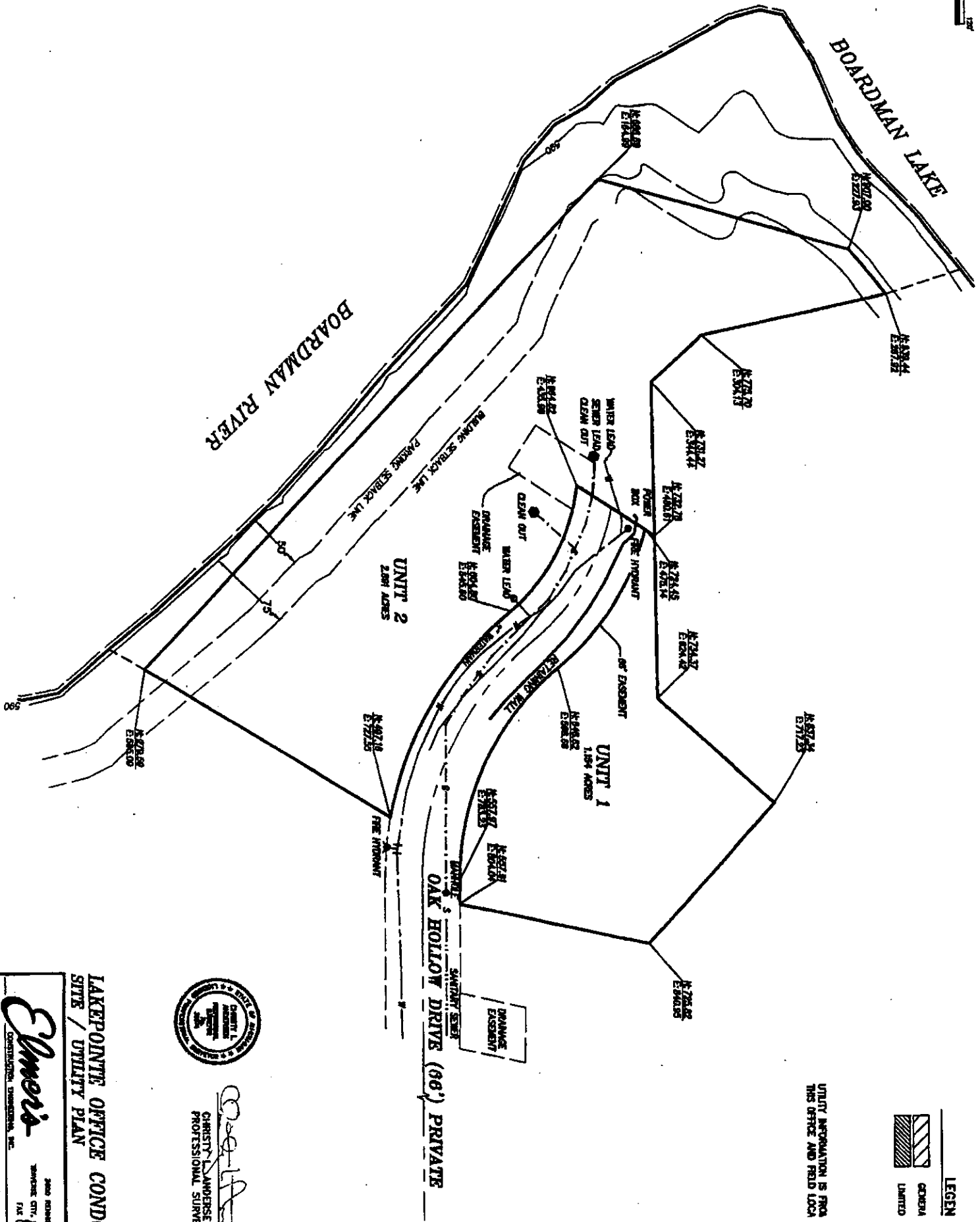
LOCATION MAP
NO SCALE

LAKEPOINTE OFFICE COND
SURVEY PLAN

Elmer's
CONSTRUCTION ENGINEERING, INC.
3600 REINER SCHOOL ROAD
TRAVERSE CITY, MI 49608
TEL: (616) 931-1111
FAX: (616) 931-1112



Elmeris
CONSTRUCTION
ENGINEERING, INC.
SCALE 1" = 40'



LEGEND

	CONCRETE
	LIMITED

UTILITY INFORMATION IS FROM THIS OFFICE AND FIELD LOGS

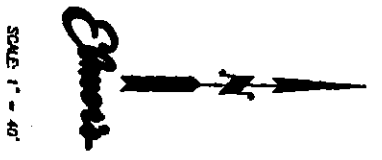


Christy Landense
CHRISTY LANDENSE
PROFESSIONAL SURVEYOR

LAKEPOINTE OFFICE CONDO
SITE / UTILITY PLAN

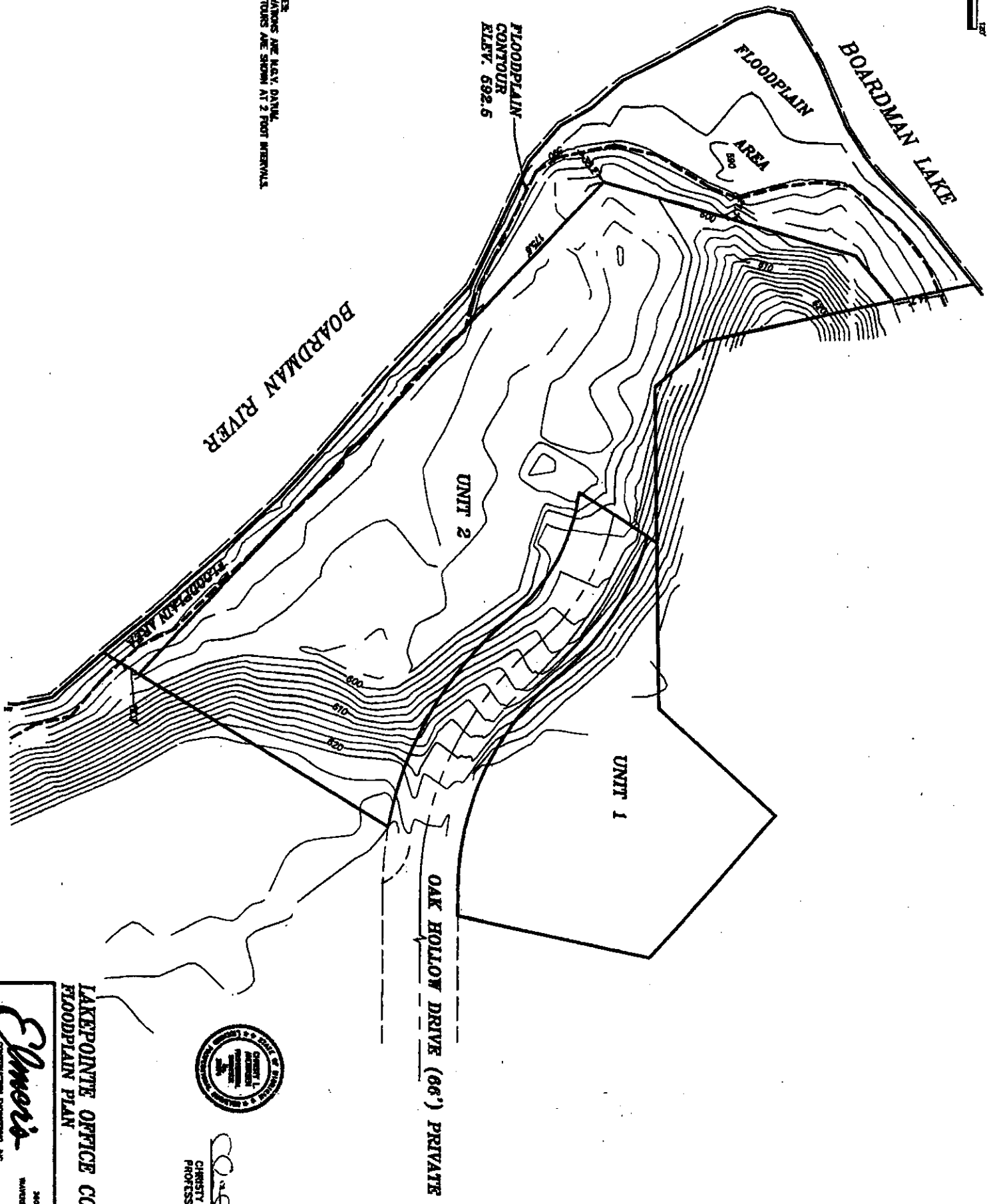
Elmeris
CONSTRUCTION ENGINEERING, INC.
ENGINEERING - SURVEYING - INSPECTION

2000 RENO
WISCONSIN CITY
TEL: (608) 785-1111



SCALE 1" = 40'

NOTES:
ELEVATIONS ARE M.S.L. DATA.
CONTOURS ARE SHOWN AT 2 FOOT INTERVALS.



Christy D. Smith
PROFESSIONAL

LAKEPOINTE OFFICE COND
FLOODPLAIN PLAN

Chloris
ENGINEERING - SURVEYING - INSPECTION

3400 BIRMINGHAM
NASHVILLE, TENN. 37217
TEL. 615-251-1111
FAX 615-251-1112

