

**LENOX PARK****EXHIBIT A****RESTATED BYLAWS**

Refer to Master Deed Article III and Article IV for definitions

**ARTICLE I  
ASSOCIATION OF CO-OWNERS**

Lenox Park, a residential condominium located in the City of Novi, Oakland County, Michigan, shall be administered by an Association of Co-owners which shall be a nonprofit corporation, herein referred to as the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(9) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Co-owner's Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium. The Association, all Co-owners in the Condominium and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the Condominium Documents. All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

**ARTICLE II  
ASSESSMENTS**

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

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

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

the interests of the Co-owners against liabilities or losses arising within, caused by or connected with the Common Elements or the administration of the Condominium.

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

(a) **The Annual Budget and Regular Monthly Assessments.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, administration, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 5 below rather than by additional or special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's "current annual budget (excluding that portion of the budget allocated to the reserve fund itself) on a non-cumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate, the Association should carefully analyze the Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. The Board of Directors shall annually consider the needs of the Condominium to determine if a greater amount should be set aside in reserve or if additional reserve funds should be established for any other purposes. The regular monthly Association assessments provided in this Article II, Section 3(a) shall be levied in the sole discretion of the Board of Directors. The discretionary authority of the Board of Directors to levy assessments pursuant to this subsection 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) **Additional Assessments.** Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation, management, maintenance and capital repair of the Condominium, (2) to provide replacements of existing Common Elements, or (3) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessments without Co-owner approval as it shall deem to be necessary. The Board of Directors shall also have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 5 hereof. The discretionary authority of the Board of Directors to levy additional assessments pursuant to this subsection 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.

(c) **Special Assessments.** Special assessments, other than additional assessments referenced in subsection (b) of this Section 3, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other appropriate requirements of the Association, including, but not limited to:

(1) Assessments for additions to (and not repair or replacement of) the Common Elements of an aggregate cost exceeding \$1,000.00 per year;

(2) Assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 7 hereof;

(3) Assessments for any other appropriate purpose not elsewhere herein described.

Special assessments referred to in this subsection (c) shall be levied only with the prior approval of a majority of Co-owners in number and in value. 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 of the members thereof.

The acceptance of a conveyance or the execution of a land contract by any Owner or purchaser of a Unit shall constitute the agreement by such Owner or purchaser, his or her heirs, executors, administrators, or assigns, 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 district, sign petitions requesting said special assessment, and consider and otherwise act on all assessment issues on behalf of the Association and all Co-owners; provided that, prior to signature by the Association on a petition for improvement, the desirability of said improvement shall be approved by an affirmative vote of not less than fifty-one (51%) percent of all Co-owners. No consent of mortgagees shall be required for approval of said improvement.

**Section 4. Apportionment of Assessments.** Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of management, maintenance, administration and operation of the Condominium shall be apportioned among and paid by the Co-owners in accordance with the Percentage of Value assigned to each Unit in Article VI of the Master Deed.

**Section 5. Payment of Assessments and Penalty for Default.** Annual assessments as determined in accordance with Article II, Section 3(a) above shall be payable by Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Each installment in default for ten (10) or more days shall bear interest from the initial due date thereof at the rate of seven (7%) percent per annum until each installment is paid in full. The Board of Directors may also adopt uniform late charges pursuant to Section 10 of Article VI of these Bylaws. Each Co-owner (whether 1 or more persons) shall be, and remain, personally liable for the payment of all assessments (including interest, late charges and costs of collection and enforcement of payment) levied against the Unit which may be levied while such Co-owner is the owner thereof. In addition to a Co-owner who is also a land contract seller, the land contract purchaser shall be personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to the subject Condominium Unit which are 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: first, to costs of collection and enforcement of payment, including actual attorneys' fees (not limited to statutory fees); second, to any interest and other charges for late payment on such installments; and third, to installments in default in order of their due dates. A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve, account or other asset of the Association.

**Section 6. Waiver of Use or Abandonment of Unit; Uncompleted Repair Work.** No Co-owner may exempt himself or herself from liability for contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements, or by the abandonment of the Co-owner's Unit, or because of uncompleted repair work, or the failure of the Association to provide service.

**Section 7. Enforcement.**

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

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

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

(i) The notice of lien shall set forth the legal description of the Condominium Unit or Units to which the lien attaches, the name of the Co-owner of record

thereof, the amount due the Association as of the date of the notice, exclusive of interest, costs, attorneys' fees and future assessments.

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

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

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

Section 8. Liability of Mortgages. Notwithstanding any other provisions of the Condominium Documents, if the mortgagee of a first mortgage of record or other purchaser of a Condominium Unit obtains title to the Condominium Unit as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the Association chargeable to the Unit which became due prior to the date Sheriff's Deed. However, the mortgagee, purchaser, successor or assign shall be liable from the date of the Sheriff's Deed forward, including the redemption period.

Section 9 Unpaid Assessments Due on Unit Sale; Statement of Unpaid Assessments. Upon the sale or conveyance of a Condominium Unit, all unpaid assessments against the Condominium Unit plus interest, late charges, fines, costs and actual attorneys' fees (not limited to statutory fees) shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision thereof for taxes or special assessments due and unpaid on the Unit and (b) payments due under first mortgages having priority thereto. A purchaser of a Condominium Unit is entitled to a written statement from the Association setting forth the amount of unpaid assessments outstanding against the Unit and the purchaser is not liable for any unpaid assessment in excess of the amount set forth in such written statement, nor shall the Unit be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five (5) days before the sale, or to pay unpaid assessments against the Unit at the closing of the Unit purchase if such a statement was requested, shall be liable for any unpaid assessments against the Unit together with interest, costs and actual attorneys' fees (not limited to statutory fees) incurred in connection with the collection thereof.

Section 10 Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 11. Construction Liens. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

### ARTICLE III JUDICIAL ACTIONS AND CLAIMS

Section 1. Action by the Association. Actions on behalf of and against the Co-owners shall be brought in the name of the Association. The Association may assert, defend or settle claims on behalf of all Co-owners in connection with the Common Elements of the Condominium.

Section 2. Action to Enforce Terms and Provisions of the Condominium Documents. In an action by a Co-owner against the Association and its Officers and Directors to compel these persons to enforce the terms and provisions of the Condominium Documents, the Association, if successful, shall recover the costs of the proceeding and actual attorneys' fees (not limited to statutory fees). In no event shall any Co-owner be entitled to recover such attorney fees.

### ARTICLE IV INSURANCE

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

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

(b) Amount of Insurance on Common Elements. All Common Elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the appropriate percentage of maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall also include interior walls within any Unit and the pipes, wires, conduits and ducts contained therein and shall further include all fixtures, equipment and trim within a Unit which were furnished by Developer as standard items. Any improvements made by a Co-owner within a Unit, including, without limitation, finished basements, shall be covered by insurance obtained by and at the expense of

said Co-owner; provided that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto may be assessed to and borne solely by said Co-owner and collected as part of the assessments against said Co-owner under Article II hereof.

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

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

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

## ARTICLE V RECONSTRUCTION OR REPAIR

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

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

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

other cases, the responsibility for reconstruction and repair, but not necessarily the cost, shall be that of the Association subject to the terms and conditions of the Master Deed.

**Section 4. Co-owner Responsibility for Repair.** Each Co-owner shall be responsible for the reconstruction, repair, maintenance, replacement and decoration of the interior of the Co-owner's Unit, including all drywall, all finished flooring and floor coverings, all interior walls, wall coverings, interior trim and, including, without limitation the following items:

(a) All appliances within the Unit and supporting hardware, including, but not limited to, furnace, humidifier, air cleaner, air conditioner, compressor, garbage disposal, dishwasher, range, oven, vent fan, duct work, vent covers, filter, water softeners, water filters, water heaters, all furnace and water heater exhaust pipes and ducts from the appliance to the exhaust cap.

(b) Interior of entry door and door walls, any deadbolts and/or locking mechanisms within door walls, handles and knobs on both sides of door, all interior doors and related hardware within the individual unit including storm door, closer and all related locks and hardware for storm door.

(c) All electrical fixtures and appliances within the individual Unit, including, but not limited to, doorbell systems (all components inside and out of Unit), lighting fixtures, switches, outlets, antenna outlets, and telecommunication wiring with associated equipment, circuit breakers with associated panel, and all exterior fixtures on decks and porches.

(d) All plumbing fixtures including commodes, tubs, shower pans, shower stalls, shower enclosures, tub and shower caulking, faucets, shut-off valves, rings, seals, washers and outdoor faucets.

(e) All cabinets, counters, sinks, tile and wood, either floor or wall, and related hardware.

(f) All improvements and decorations including, but not limited to, paint, wallpaper, paneling, carpeting, linoleum and trim.

(g) Individual Unit drain lines located within the Unit perimeter walls (foundation); however, in the event a drain line services more than one Unit, then in that event, the Association will be responsible for its reconstruction, repair, maintenance and replacement.

(h) Finished basements.

(i) All other items not specifically enumerated above which may be located within the individual Unit's perimeter walls.

In the event that damage to interior walls within a Co-owner's Unit, or to pipes, wire, conduits, ducts or other Common Elements therein, or to any fixtures, equipment and trim which are standard items within a Unit is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5 of this Article V. However, the portion of the expense incurred but not recovered by virtue of any insurance deductible shall be the Co-owner's obligation. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-

owner shall be entitled to receive the proceeds of insurance relative thereto and if there is a mortgage endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event damage to a Co-owner's Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall begin reconstruction or repair of the damage upon receipt of the insurance proceeds from the Association. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

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

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

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

(a) The provisions of Section 133 of the Condominium Act of Michigan shall apply.

(b) In the event the Condominium continues after a taking by eminent domain, the remaining portion of the Condominium shall be re-surveyed and the Master Deed amended accordingly by the Association.

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

**Section 8. Notices to Certain Mortgagees.** In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), or in the event any mortgage is held by or insured by the United States Department of Housing and Urban Development ("HUD"), the Association shall give FHLMC and HUD written notice at such

address as it may from time to time direct of any loss to or taking of the Common Elements of the Condominium, or any loss to or taking of any Unit, or part thereof, if the loss or taking exceeds \$10,000 in amount.

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

## ARTICLE VI RESTRICTIONS

Section 1. Uses Permitted. No Unit shall be used for other than residential purposes. No Co-owner shall carry on any commercial activities anywhere on the premises of the Condominium. Commercial activities shall include but not be limited to those which produce noise, odor, pollution, unsightly conditions, increased traffic or parking, or increased insurance premiums for the Association.

Section 2. Alterations and Modifications. Except as expressly permitted under Section 47(a) of the Act, no Co-owner shall make alterations in exterior appearance or make structural modifications to any Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, limited or general, without the express written approval of the Board of Directors including but not limited to, exterior painting or the erection of decks, antennas, lights, aerials, awnings, doors, shutters or other exterior attachments or modifications; nor shall any Co-owner damage or make modifications or attachments to Common Element walls between Units which in any way impair sound conditioning qualities of the walls. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium. No storm door shall be approved unless it conforms to the color and design standards adopted by the Board of Directors. No exterior antennae, receiving devices, or satellite dishes, of any kind or nature whether freestanding or mounted upon any Unit or other structure shall be permitted, unless the device is a so-called "mini dish" (not to exceed one meter in diameter) located on a Limited Common Element appurtenant exclusively to the Unit Owner desiring to install the device and is fully screened from view or, in the event the Association has designated an area in the General Common Elements for the installation of freestanding devices, then in such designated area. The Board of Directors has reserved power to make reasonable modifications to the restrictions of this paragraph to accommodate the use of technological innovations so long as it determines that the changes benefit the Condominium. Co-owners making exterior alterations or modifications to Units shall comply with all current municipal ordinances, including those that require municipal approvals and/or permits, if any.

Section 3. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity occur in or on the Common Elements or within any Unit at any time. Among other things, construction activities by a Co-owner (i.e., interior remodeling or improvement of a completed Unit) shall be confined to the hours of 8 a.m. to 8 p.m. No maintenance or other repair of any vehicle is permitted anywhere in the Condominium. These construction restrictions shall not apply to the maintenance and repair activities of the

Association or its contractors. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved, which increased cost may be assessed to and collected from the Co-owner in the manner provided in Article II hereof.

**Section 4. Storage and Parking of Vehicles.** No trailers, boats, boat trailers, house trailers, campers, RVs, junk cars, motor homes, snowmobiles, snowmobile trailers, recreational vehicles, commercial vehicles (other than those present temporarily on business for a period not to exceed eight (8) hours), ATVs, jet skis, other recreational vehicles of any kind, or any trailer used for any type or kind of vehicle may be parked or stored in the Condominium, unless parked in an area specifically designated therefor by the Board of Directors and approved in advance by the City. The storage and parking of vehicles shall also be in accordance with all applicable laws and ordinances. The Board of Directors may, by duly adopted rule-regulation or policy further regulate the parking of vehicles or trailers on the roads, drives and garages in the Condominium. Unit Owners shall only use garages for the parking of operational cars and for incidental storage including the use of cabinetry. Garages shall not be used as workrooms, living areas or for the storage of the prohibited vehicles listed in this Section 4.

**Section 5. Solar Panels.** No solar panel, solar collector or similar device shall be placed, constructed, altered, or maintained on any Lot or placed, constructed, altered, or maintained on any Unit.

**Section 6. Animals or Pets.** Without the prior written consent of the Board of Directors, no animal or pet other than: (i) one (1) dog (not to exceed forty-five (45) pounds in weight) and one (1) cat; (ii) one (1) cat or one (1) dog (not to exceed forty-five (45) pounds in weight), or (iii) two (2) cats or two (2) dogs (each not to exceed forty-five (45) pounds in weight) shall be kept in the Condominium by any Co-owner. Any pets kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. Co-owners shall not allow pets to use decks, patios, porches or for urination or defecation purposes. No savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the Common Elements, and any animal shall at all times be attended by a responsible person while on the Common Elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability that the Association may sustain as a result of the presence of such animal on the Condominium property. The Board of Directors may, by duly adopted rule, regulation or policy further regulate the keeping of animals or pets, including, but not limited to, rules concerning defecation by animals or pets. The term "animal or pet" as used in this Section shall not include small animals that are constantly caged such as small birds or fish. No consent shall be granted by the Board of Directors for any dog that is of a breed that normally grows to more than forty-five (45) pounds in weight.

**Section 7. Aesthetics.** The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the Master Deed or in duly adopted rules, regulations or policies of the Association. All rubbish, trash, garbage and other waste shall be regularly removed from each Unit and shall not be allowed to accumulate therein. Unless special areas are designated by the Association, trash receptacles shall not be permitted on the Common Elements except for such short periods of

time as may be reasonably necessary to permit periodic collection of trash. The Common Elements shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics.-In general, no activity shall be carried on nor condition maintained by a Co-owner, either in a Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 8. Common Elements. Each driveway leading into a garage may only be used by the Co-owner entitled to use the garage. The Common Elements shall be used only for passive recreation and for no other purpose. Golfing, basketball and all other active sports are prohibited. Activities in the Common Elements shall be carried on in such a manner as to avoid disturbing or otherwise offending other Owners. Basketball hoops and play areas are not permitted. No firearms, air rifles, pellet or B-B guns, bows and arrows, sling shots or other weapons are allowed in the Common Elements. The Common Elements shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No unsightly condition shall be maintained upon any court yard, deck, patio or porch and only furniture and equipment consistent with ordinary court yard, deck, patio or porch use shall be permitted. No Co-owner may leave personal property of any description (including by way of example and not limitation bicycles, vehicles, chairs and benches) unattended on or about the Common Elements. Use of all Common Elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted rules, regulations or policies.

Section 9. Signs and Advertising. Real estate signs may be displayed on lawns and in windows with the approval of the Board of Directors. The Board of Directors may establish rules permitting the posting of "For Sale" flyers in designated General Common Element areas. Lawn and window security signs may be displayed with approval of the Board of Directors. No other signs or advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements.

Section 10. Rules, Regulations or Policies. Reasonable rules, regulations or policies consistent with all laws and the Condominium Documents concerning the use of the Common Elements or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium may be made and amended from time to time by any Board of Directors of the Association. Copies of all such rules, regulations, policies and amendments thereto shall be furnished to all Co-owners or posted on a General Common Element. Any such rule, regulation, policy or amendment may be revoked at any time by the affirmative vote of a majority of the Co-owners.

Section 11. Association's Right of Access. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association has the express right to maintain, repair and replace any Limited Common Element deck that is not maintained by a Co-owner in accordance with the standards for such maintenance promulgated by the Board of Directors from time to time. The costs of any such maintenance, repair or replacement of any Limited Common Element deck or patio shall be assessed to the Co-owner of the Unit to which such deck or patio is appurtenant. The Association or its agent shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of

each Co-owner to provide the Association means of access to the Co-owner's Unit and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to any Unit or any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of such damage. Subject to the foregoing and other provisions in the Master Deed and these Bylaws, each Co-owner shall be entitled to exclusive occupancy and control over the Co-owner's Unit and all Limited Common Elements appurtenant thereto.

Section 12. Decks. All decks, patios, and porches, if any, are Limited Common Elements of the Condominium that shall be maintained, repaired and replaced by the Co-owner of the Unit to which the structure is appurtenant, including, but not limited to the removal of snow and ice. Decks, patios, and porches shall be tastefully maintained. During the winter, all deck furniture shall be stored in accordance with a rule, regulation or policy established by the Board of Directors. No unsightly condition shall be maintained upon any deck, patio or porch and only furniture and equipment consistent with ordinary deck, patio or porch use shall be permitted to remain. The color and material from which decks, patios, and porches are constructed shall not be altered without the express written approval of the Board of Directors. Owners shall not allow pets to use decks, patios, and porches for urination or defecation purposes. The Board of Directors may, by duly adopted rule, regulation or policy, further regulate the use, maintenance, repair and replacement of Limited Common Element decks, patios, and porches.

Section 13. Barbecues. Charcoal grills may not be used in the Condominium, whether on a Limited Common Element or otherwise. The only outdoor cooking devices permitted in the Condominium are grills that use propane gas which are located at least ten (10) feet from buildings. Use of propane grills shall be further subject to all municipal regulations which may apply to the use of propane cooking devices and any restrictions contained in the Pipeline Easement.

Section 14. Landscapeing. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or other plantings or place any ornamental materials upon the Common Elements unless approved by the Board of Directors in writing or unless permitted by the Master Deed or the rules, regulations or policies of the Association.

Section 15. Weapons. No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his or her family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, sling shots, or other similar weapons, projectiles or devices anywhere on or about the Condominium.

Section 16. Co-owner Maintenance. Each Co-owner shall maintain the Unit owned and any Limited Common Elements appurtenant thereto for which the Co-owner has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including but not limited to the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by the Co-owner or the Co-owner's family, guests, agents or invitees, unless such damages or costs are covered by insurance

carried by the Association in which case there shall be no such responsibility, unless reimbursement to the Association is excluded by virtue of a deductible provision, in which the responsible Co-owner shall bear the expense to the extent of the deductible amount. Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. The Co-owners shall have the responsibility to report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement and any other circumstances which if not promptly reported and attended to, could result in loss or damage to any Common Element. All damages resulting from the failure of the Co-owner to report any of the foregoing items may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. Each Co-owner shall have these responsibilities and liabilities regardless of whether they occupy the Unit or the Unit is occupied by their tenant, guest, etc.

Section 17: Leasing and Rental. Co-owners may rent any number of Units at any time for any term of occupancy not less than six (6) months subject to the following:

(a) Disclosure of Lease Terms to Association. A Co-owner desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for compliance with the Condominium Documents. The Co-owner shall also provide the Association with a copy of the executed lease and shall supply the Association with the names, addresses, telephone numbers and any other contact information for all lessees or occupants.

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

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

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

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

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

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

(e) Amendment of Section 17. From and after the Transitional Control Date, the Association may amend this Section 17 as provided in Section 90(4) of the Act. With respect to an amendment of this Section 17, such amendment shall not affect the rights of any lessors or lessees under a written lease otherwise in compliance with this Section 17 Section 112 of the Act and executed before the effective date of the amendment.-

Section 18. Stormwater Management. In order to assure that stormwater drainage is properly maintained, all Stormwater Drainage Facilities in the Condominium have been designated General Common Elements in Article IV(a)(3) of the Master Deed. Accordingly, the Association will maintain, repair and replace all stormwater drainage systems and areas in the Condominium for the benefit of all Co-owners, the cost of which will be an expense of administration of the Condominium.

Section 19. Mold. The presence of mold is an event that occurs naturally in the environment which is beyond the control of the Association. Moisture in a home can have many causes. Spills, leaks, overflows, condensation and high humidity are common sources of home moisture. Good housekeeping and home maintenance practices are essential in the effort to prevent or eliminate mold growth. If moisture is allowed to remain on the growth medium, mold can develop within twenty-four (24) to forty-eight (48) hours.

Unit Owners can take positive steps to reduce or eliminate the occurrence of mold growth in the home, and thereby minimize any possible adverse effects that may be caused by mold. These steps include the following:

(i) Before bringing items into the home, check for signs of mold. Potted plants (roots and soil), furnishings, or stored clothing and bedding material, as well as many other household goods, could already contain mold growth.

(ii) Keep the humidity in the home low. Vent clothes dryers to the outdoors. Ventilate kitchens and bathrooms by opening the windows, by using exhaust fans, or by running the air conditioning to remove excess moisture in the air and to facilitate evaporation of water from wet surfaces.

(iii) Inspect for leaks on a regular basis. Look for discolorations or wet spots. Repair any leaks promptly. Inspect condensation pans (refrigerators and air conditioners) for mold growth. Take notice of musty odors and any visible signs of mold.

Whether or not Unit Owners experience mold growth depends largely on how they manage and maintain their home. The Association does not warrant against the presence of mold in the Unit and will not be responsible for any damages caused by mold, including, but not limited to, property damage, loss of value, adverse health effects or any other effects. Any implied warranties, including an implied warranty of workmanlike construction, an implied

warranty of habitability, or an implied warranty of fitness for a particular purpose, are waived and disclaimed by Unit Owners upon their purchase of a Unit and Unit Owners agree to hold the Association harmless for any growth of mold in the Unit.

Section 20. Detention Pond. There is a detention pond located behind the Units on the Court Driveway cul-de-sac. The detention pond is likely to fill with storm water run-off and may pose a potential danger as an attractive nuisance to Owners of Units located in the vicinity of the detention pond.

Section 21. Freeway and Church Areas. The M-5 Freeway and church areas are located adjacent to the Condominium as shown on the Plan. Purchasers of Units should take such uses into consideration prior to purchasing a Unit.

## ARTICLE VII MORTGAGES

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

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

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

## ARTICLE VIII VOTING

Section 1. Vote. When voting by number, each Co-owner shall be entitled to one vote for each Condominium Unit owned, except as limited in these Bylaws. When voting by value, each Co-owner shall be entitled to one vote, the value of which shall equal the sum of the Percentages of Value allocated to the Units owned by the Co-owner as set forth in the Master Deed, except as limited in these Bylaws. Voting shall be by value unless otherwise expressly required by the Condominium Documents or by law. In the case of any Unit owned jointly by more than one Co-owner, the voting right appurtenant to that Unit may be exercised jointly as a single vote or may be split if all the joint Co-owners of the Unit so agree in writing.

Section 2. Eligibility to Vote. No Co-owner shall be entitled to vote at any meeting of the Association until the Co-owner has presented evidence of ownership of a Unit in the Condominium to the Association. A Co-owner in default shall not be entitled to vote at any meeting of the Association or run for or serve on the Board of Directors so long as such default continues. The vote of each Co-owner may be cast only by the individual representative

designated by such Co-owner in the notice required in Section 3 of this Article VIII or by a proxy given by such individual representative.

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

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

Section 5. Quorum. The presence in person or by proxy of more than thirty-five (35%) percent in value of the Co-owners eligible to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting such person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast. Members representing less than a quorum may adjourn to meet on a future day.

Subject to any guidelines and procedures adopted by the Board of Directors, Co-owners and proxy holders not physically present at a meeting of Co-owners may participate in the meeting by means of remote communication, are considered present in person for all relevant purposes, including quorum, and may vote at the meeting if all of the following conditions are satisfied: (1) the Association implements reasonable measures to verify that each person considered present and permitted to vote at the meeting by means of remote communication is a Co-owner or proxy holder, (2) the Association implements reasonable measures to provide each Co-owner and proxy holder with a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Co-owners, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with the proceedings, and (3) if any Co-owner or proxy holder votes or takes other action at the meeting by means of remote communication, a record of the vote or other action is maintained by the Association.

Section 6. Voting. Votes may be cast only in person, by written ballot, or by proxy. A vote may also be cast by a person participating in the meeting remotely pursuant to section 5 above. Votes may be transmitted electronically in any manner authorized by the Board of Directors which creates a record that may be retrieved, retained and reproduced in paper form. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

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

## ARTICLE IX MEETINGS

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

Section 2. Annual Meetings. Annual meetings of members of the Association shall be held in the month of May at such date, time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

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

Section 4. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required by Article VIII, Section 3 of these Bylaws to be filed with the Association shall be deemed notice served. Electronic transmission of such notice (and of any other information that may or must be provided to Members) may also be given in any such manner authorized by the person entitled to receive the notice which does not directly involve the physical transmission of paper, which creates a record that may be retrieved and retained through an automated process. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 5. Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than ten (10) days from the time the original meeting was called, and notice of the meeting shall be provided as set forth in Section 4 of this Article IX.

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

Section 7. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 4 of this Article IX for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of votes or total percentage of approvals which equals or exceeds the number of votes or percentage of approvals which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 8. Minutes; Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members or the Board of Directors shall be reviewed, corrected if necessary, and approved by a vote of the Board of Directors at the next regular meeting of the Board. The minutes, when approved, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be *prima facie* evidence that such notice was given.

## ARTICLE X BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors shall consist of at least five (5) members, all of whom must be members of the Association except that officers, partners, trustees, employees or agents of members that are legal entities and not individual persons may be designated by such entities to serve as directors, if elected, of the corporation. Directors shall serve without compensation. No candidate for election or appointment to the Board of Directors shall be eligible if delinquent in the payment of any sum of money owed to the Association or otherwise in default of the Condominium Documents. The number of directors may be increased or decreased by action of the Board of Directors, provided that the Board of Directors shall be comprised of at least five (five) members.

Section 2. Election of Directors. Directors shall be elected at the annual meeting of the Association or at a special meeting called for that purpose. The term of office of each

director shall be two (2) years. Terms shall be staggered such that at least two directors shall remain in office following each election. The directors shall hold office until their successors have been elected and hold their first meeting. Vacancies outside of the election cycle shall be filled according to the provisions of Article X, Section 6, below.

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

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

(a) To manage and administer the affairs of and to maintain the Condominium and the Common Elements thereof.

(b) To levy and collect assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association.

(c) To carry insurance and collect and allocate the proceeds thereof.

(d) To rebuild improvements after casualty.

(e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium.

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

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association.

(h) To make rules, regulations or policies in accordance with Article VI, Section 12 of these Bylaws.

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

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

**Section 5. Management Agent.** The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any

other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon ninety (90) days' written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

**Section 6. Vacancies.** Vacancies in the Board of Directors which occur caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the members of the Association. At the next annual meeting of the members of the Association, any Director previously elected by the members of the Association to an unexpired term shall continue that term until its expiration. For the vacant seat or seats previously filled by the remaining directors, and any seats newly vacated by expiring terms, all nominees shall stand for election as one slate. Candidates may be elected to either 1 year or 2 year terms, as may be necessary to preserve the staggering of terms required by Article X, Section 2 of these Bylaws. The election shall be by ballot. Electors may vote for any number of candidates up to and including the number of terms to be filled. Terms are filled beginning with the 2 year terms and continuing in descending order based on each candidate's received vote starting with the highest vote total. Ties for contested terms will be decided immediately in a runoff election between the tied candidates with the candidate receiving the most votes getting the longest term. Electors may vote for only one candidate in the runoff election(s). Successive runoff elections shall be conducted immediately as needed until all the seats are filled.

**Section 7. Removal.** At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the directors may be removed with or without cause by the affirmative vote of more than fifty (50%) percent in number and in value of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal quorum set forth in Article VIII, Section 5. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

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

**Section 9. Regular Meetings.** Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by mail, telephone or any electronic communication to which the Director has consented, at least ten (10) days prior to the date named for such meeting.

**Section 10. Special Meetings.** Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director given personally, by mail, telephone or any electronic communication to which the Director has consented, which notice

shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) Directors.

Section 11. Exceptions to Notice of Meetings. Notice of a Regular Meeting or Special Meeting need not be given to a Director under any of the following circumstances:

- (a) If the Director waives notice of the meeting before the meeting, which shall be noted in the meeting minutes;
- (b) If the Director waives notice of an adjournment of the meeting at the meeting, which shall be noted in the meeting minutes;
- (c) If the Director joins in the action of a meeting by signing a written concurrence after the meeting;
- (d) If the Director is actually present at the meeting.

If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

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

Section 13. Remote Participation. A member of the Board may participate in a meeting by telephone conference, audio conference, audio-visual conference or other means of remote communication through which all persons participating in the meeting can communicate with each other. Participation in a meeting in this manner constitutes presence in person at the meeting.

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

## ARTICLE XI OFFICERS

Section 1. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, a Secretary and a Treasurer. The directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two (2) offices, except that of President and Vice President, may be held by one person.

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

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

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

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

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

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer or committee member may be removed from office either with or without cause. The officer's successor shall be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer or committee member who is proposed to be removed shall be given an opportunity to be heard at the meeting. If an officer removed under this section is also a Director of the Association, he or she remains a Director and retains his or her voting rights as a Director unless removed by the Co-owners pursuant to Section 7 of Article X.

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

## ARTICLE XII SEAL

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

## ARTICLE XIII FINANCE

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The Association shall, have its books, records, and financial statements independently reviewed once per year for four years, and in the fifth year independently audited, according to the requirements established by the Michigan Condominium Act. The Association may opt out of the requirements of this section on an annual basis by an affirmative vote of the majority of the Members, as permitted by the Act. In addition to the foregoing, the Board of Directors may order an audit at any time by a majority vote of the Directors. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audit or review statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit or review and any accounting expenses shall be expenses of administration.

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

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

## ARTICLE XIV INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, incurred by or imposed upon the director or officer in connection with any proceeding to which the director or officer may be a party, or may become involved, by reason of the director or officer being or having been a director or officer of the Association, whether or not a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of such director's duties;

provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof. Further, the Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

## **ARTICLE XV AMENDMENTS**

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

## **ARTICLE XVI COMPLIANCE**

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

## **ARTICLE XVII REMEDIES**

Section 1. Relief Available. Any default by a Co-owner shall entitle the Association or another Co-owner or Co-owners to the following relief:

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

(b) Recovery of Costs. In the event of a default of the Condominium Documents by a Co-owner and/or non-Co-owner resident or guest, the Association shall be

entitled to recover from the Co-owner and/or non-Co-owner resident or guest, the pre-litigation costs and actual attorney fees (not limited to statutory fees) incurred in obtaining their compliance with the Condominium Documents. In any proceeding arising because of an alleged default by any Co-owner, the Association shall be entitled to recover the costs of the proceeding and actual attorney fees (not limited to statutory fees) but in no event shall any Co-owner be entitled to recover such attorney fees. The Association shall also be entitled to recoup the costs and actual attorney's fees (not limited to statutory fees) incurred in defending any claim, counterclaim or other matter from the Co-owner asserting the claim, counterclaim or other matter.

(c) Removal and Abatement. The violation of any of the provisions of the Condominium Documents, including the rules and regulations promulgated by the Board of Directors of the Association hereunder, 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 into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents; provided, however, that judicial proceedings shall be instituted before items of construction are altered or demolished pursuant to this subsection. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

(d) Assessment of Fines. The violation of any of the provisions of the Condominium Documents, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, by any Co-owner, in addition to the rights set forth above, shall be grounds for assessment by the Association of a monetary fine for such violation. No fine may be assessed unless the rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Article VI, Section 10 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owner and an opportunity for such Co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. Upon finding a violation has occurred after an opportunity for hearing has been provided, the Board of Directors may levy a fine in such amount as it, in its discretion, deems appropriate, and as is set forth in the rules and regulations establishing the fine procedure.

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

Section 3. Cumulative Rights, Remedies and Privileges. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

## ARTICLE XVIII ARBITRATION

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

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

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

## ARTICLE XIX SEVERABILITY

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