

BLUE HERON POINTE CONDOMINIUM  
AMENDED AND RESTATED CONDOMINIUM BYLAWS  
(EXHIBIT "A" TO THE MASTER DEED)

ARTICLE I

ASSOCIATION OF CO-OWNERS

Section 1. Blue Heron Pointe Condominium, a residential Condominium located in the Township of Northville, County of Wayne, State of Michigan, shall be administered by an Association of Co-owners which shall be a nonprofit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, the duly adopted rules and regulations of the Association, and the laws of the State of Michigan.

These Bylaws shall constitute the Bylaws referred to in the Master Deed and required by Section 3 (8) of Act No. 59 of the Michigan Public Acts of 1978, as amended (hereinafter the "Act") and the Michigan Nonprofit Corporation Act.

Section 2. Each Co-owner shall be a member of the Association 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 in the Condominium.

A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve or other asset of the Association. 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. All Co-owners in the Condominium and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

ARTICLE IIASSESSMENTS

All expenses arising from the management, administration and operation of the Association pursuant to the Condominium Documents and the Act, shall be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

Section 1. Assessments For Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute expenditures affecting the administration of the Condominium, and all sums received as the proceeds of, or pursuant to a policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute receipts affecting the administration of the Condominium, within the meaning of Section 54(4) of the Act.

Section 2. Determination of Assessments. Assessments shall be determined in accordance with the following provisions:

(a) Budget, Basic Assessments. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Co-owner's obligation to pay the allocable share of the common expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget each Unit Co-owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the new monthly payment which shall not be due less than ten (10) days after such new annual or adjusted budget is adopted. Each Co-owner's share of the annual budget shall be referred to as the Basic Assessment.

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 3 below rather than by additional or lump sum assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a non-cumulative basis. Since the minimum standard required by this Section may prove to be inadequate for this particular Condominium, the Association of Co-owners 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 funds contained in such reserve fund should be used for major repairs and replacements of Common Elements.

Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments.

(b) Supplemental Assessments. If the Board of Directors determines at any time, in its sole discretion, that the Basic Assessments levied are, or may prove to be, insufficient to meet the needs of the Association, it shall have the authority to increase the budget and/or levy Supplemental Assessments payable in whatever manner it determines (ie., lump sum or by installments). The discretionary authority of the Board of Directors to levy Supplemental 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 except in the event that the Association may voluntarily and conditionally assign the right to levy assessments to any lender in connection with any voluntary loan transaction entered into by the Association.

(c) Special Assessments. Special assessments are hereby defined to mean assessments for additions to (and not repair or replacement of) the Common Elements of an aggregate cost exceeding One Thousand Five hundred Dollars (\$1,500.00) per year. Special assessments shall not be levied without the prior approval of more than sixty (60%) percent of all Co-owners. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof except in the event that the Association may voluntarily and conditionally assign the right to levy assessments to any lender in connection with any voluntary loan transaction entered into by the Association.

Section 3. Apportionment Of Assessments; Default In Payment. Unless otherwise provided herein, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in equal shares, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit.

Basic Assessments as determined in accordance with Article II, Section 2 (a) above (but not supplemental or special assessments) shall be payable by the Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a Deed to, or a land contract purchaser's interest in, a Unit, or with the acquisition of fee simple title to a Unit by any other means. Monthly installments of the Basic Assessment are due on the first day of each month. The payment of any 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. A late charge shall be assessed for any assessment in default paid more than ten (10) days after its due date. The late charge shall be in the amount of Twenty-five Dollars (\$25.00) or such other amount as may be determined by the Board of Directors from time to time. In the event the board establishes a new late charge amount, it shall give written notice to all members thirty (30) days before the new late charge rate shall become applicable. Such late charge shall not be deemed to be a penalty or interest upon the funds due to the Association but is intended to constitute a reasonable estimate of the administrative costs and other damages incurred by the Association in connection with the late payment of assessments. Assessments in default shall bear interest at the rate of seven (7%) percent per annum or such higher rate as may be allowed by law until paid in full. All payments shall be applied first against late charges, attorney fees, interest and costs and thereafter against assessments in order of oldest delinquency.

Each Co-owner (whether one or more persons) shall be and remain personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to the Co-owner's 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.

Section 4. 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 5. Enforcement. 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, or both in accordance with the Act. Pursuant to Section 139 of the Act, no Co-owner may assert in an answer or set-off to a complaint brought by the Association for nonpayment of assessments the fact that the Association or its agents have not provided the services or management to the Co-owner.

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 such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purpose 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 to cause the Unit to be sold with respect to which the assessment(s), is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Condominium acknowledges that at the time of acquiring title to such Unit, the Co-owner was notified of the provisions of this Section and that the Co-owner voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit. The Association, acting on behalf of all Co-owners, may bid in at the foreclosure sale, and acquire, hold, lease, mortgage or convey the Condominium Unit.

Notwithstanding the foregoing, a judicial foreclosure action shall not be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his/her or their last known address of a written notice that one or more installments of the annual assessment and/or a portion or all of a supplemental and/or a special assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by or in the form of a written Affidavit of an authorized representative of the Association that sets forth (i) the Affiant's capacity to make the Affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. The Affidavit may contain other information that the Association of Co-owners considers appropriate as per the Michigan Condominium Act including but not limited to the amount of any unpaid interest, costs, attorney fees, future assessments, court costs and/or unpaid monetary fines. Such Affidavit shall be recorded in the office of the Register of Deeds in the County in which the Condominium is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing to the Co-owner. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the Co-owner and shall inform the Co-owner that he/she may request a judicial hearing by bringing suit against the Association.

The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees), late charges, unpaid monetary fines and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default including late charges and unpaid monetary fines, if any, and shall be secured by the lien on the Co-owner's Unit. 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, and/or in the event of default by any Co-owner in the payment of any installment and/or portion of any additional or special assessment levied against the Co-owner's Unit, or any other obligation of a Co-owner which, according to these Bylaws, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof, the Association shall have the right to declare all unpaid

installments of the annual assessment for the applicable fiscal year (and for any future fiscal year in which said delinquency continues) and/or all unpaid portions or installments of the supplemental or special assessment, if applicable, immediately due and payable. The Association also may discontinue the furnishing of any utility 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 utilize any of the General Common Elements of the Condominium, shall not be entitled to vote at any meeting of the Association, and shall not be entitled to run for election as a director or be appointed an officer of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from the Co-owner's Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any person claiming under such Co-owner as provided by the Act.

Section 6. Liability Of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Condominium which acquires title to the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale in regard to said first mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the acquisition of title by such holder, purchaser or assignee (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit).

Section 7. 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 8. Personal Property Tax Assessment Of Association Property. 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 9. Construction Lien. A construction lien (mechanic's lien) otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to the limitations set forth in Section 132 of the Act, including the following:

(a) A mechanic's lien for work performed upon a Condominium Unit or upon a Limited Common Element may attach only to the Condominium Unit upon which the work was performed.

(b) A mechanic's lien for work authorized by the Association of Co-owners may attach to each Condominium Unit only to the proportionate extent that the Co-owner of the Condominium Unit is required to contribute to the expenses of administration as provided by the Condominium Documents.

(c) A mechanic's lien may not arise or attach to a Condominium Unit for work performed on the Common Elements not contracted by the Association of Co-owners.

Section 10. Statement As To Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any Unit may request a statement from the Association as to the outstanding amount of any unpaid Association assessments, interest, late charges, fines, costs and attorney fees thereon and related collection costs. Upon written request to the Association, accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire the Unit, the Association shall provide a written statement of such unpaid assessments and related collection costs as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments together with interest, costs, and

attorneys' fees, incurred in the collection thereof, and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except tax liens on the Condominium Unit in favor of any state or federal taxing authority and first mortgages of record. The Association may charge such reasonable amounts for preparation of such a statement as it may from time to time determine.

### ARTICLE III

#### 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 Co-owners, or between a Co-owner or Co-owners and the Association shall, upon the election and written consent of both of the parties to any such disputes, claims or grievances, and written notice to the Association, if applicable, be submitted to arbitration and the parties thereto shall accept the arbitrators' 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. Any agreement to arbitrate pursuant to the provisions of this Article III, Section 1 shall include an agreement between the parties that the judgment of any Circuit Court of the State of Michigan may be rendered upon any award rendered pursuant to such arbitration.

Section 2. Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section I 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. Election by the parties to submit such disputes, claims or grievances to arbitration shall preclude them from litigating such disputes, claims or grievances in the Courts.

### ARTICLE IV

#### INSURANCE

Section 1. Insurance Responsibility of the Association. The Association shall carry property insurance, general liability insurance, officers and directors liability insurance, workers compensation insurance, if applicable, and such other insurance as the Board may determine to be appropriate with respect to the ownership, use and maintenance of the General and Limited Common Elements of the Condominium and the administration of Condominium affairs. Such insurance shall be carried and administered in accordance with the following provisions:

(a) Insurance Responsibility of the Association and the Co-owners. It shall be each Co-owner's responsibility to determine by personal investigation the nature and extent of insurance coverage needed to protect his/her Unit, his/her personal property located within his/her Unit or elsewhere in the Condominium and for his/her personal liability for occurrences within his/her Unit or upon the Limited Common Elements appurtenant to his/her Unit and also for additional living expenses. Each Co-owner may obtain insurance coverage at his/her own expense upon the building items within his/her Condominium Unit which were furnished with the Unit by the Developer however it will be considered to be excess insurance since the Association's property insurance will be primary coverage as described below. The Association shall purchase insurance for the benefit of the Association, the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of Certificates of Insurance with mortgagee endorsements to the mortgagees of the Co-owners. Each Co-owner and the Association shall use their best

efforts to obtain insurance whereby the insurers waive their rights of subrogation as to any claims against any Co-owner and the Association.

(b) Insurance of Common Elements, Dwelling Structures and Fixtures. All dwelling structures within Units and Common Elements of the Condominium shall be insured against fire, perils covered by a standard extended coverage endorsement, vandalism, malicious mischief and any other cause of loss deemed advisable by the Board of Directors of the Association, in an amount equal to the maximum insurable replacement value, including code reconstruction, if applicable, as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall include interior walls within any Unit and the pipes, wires, conduits and ducts contained therein and shall further include all building items including fixtures, equipment and trim within a Unit which were furnished with the Unit by the Developer. Each Co-owner shall be solely responsible to insure all betterments, improvements, and additions to their Unit and its appurtenant Limited Common Elements. The property insurance coverage shall be written on a Blanket Amount basis including an Agreed Value clause for the entire Condominium with appropriate provisions in order that no coinsurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total project destruction and the insurance proceeds failed, for some reason, to be equal to the total cost of replacement). All information in the Association's records regarding insurance coverage shall be made available to all Co-owners upon request and reasonable notice during normal business hours so that the Co-owners shall be enabled to judge the adequacy of such coverage. Upon re-evaluation and effectuation of coverage, the Association shall notify all the Co-owners of the nature and extent of all changes in coverages.

(c) General Liability Insurance. General liability insurance shall be carried in such limits as the Board of Directors may from time to time determine to be appropriate. The general liability insurance shall cover: (1) the Association; (2) each Co-owner of the Condominium but only with respect to his/her liability arising out of the ownership, maintenance or repair of that portion of the premises which is their duty as such; and (3) any person or organization while acting as a managing agent for the Association. The liability insurance carried by the Association shall, where appropriate, contain cross-liability endorsements to cover liability of the Co-owners as a group to another Co-owner.

(d) Officers and Directors Liability Insurance. Officers and directors liability insurance shall be carried in such limits as the Board of Directors may from time to time determine to be appropriate. The liability insurance shall cover any persons who now are, or shall become duly elected or appointed directors or officers of the Association. The policy may also have to be endorsed to include "prior acts" coverage for persons who had been duly elected or appointed directors or officers of the Association if it is determined that previous expiring policies do not cover claims for wrongful acts reported after the expiration or termination date of those expiring policies.

(e) Premium Expense. All premiums upon insurance purchased by the Association pursuant to these Bylaws shall be expenses of the Association.

(f) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account, and distributed to the Association, the Co-owners and their mortgagees as their interests may appear; provided, however, whenever Article V of these Bylaws requires the repair or reconstruction of the Condominium, any insurance proceeds received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such purpose. Hazard insurance proceeds shall never be used for any purpose other than for repair, replacement or reconstruction of the project unless all of the holders of mortgages on Units, and all Co-owners, 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 true and lawful attorney-in-fact to act in connection with all matters concerning insurance pertinent to the Condominium, the Unit and the Common Elements appurtenant thereto. 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, 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-owners and the Condominium as shall be necessary or convenient to accomplish the foregoing.

## ARTICLE V

### RECONSTRUCTION OR REPAIR

Section 1. Responsibility For Reconstruction Or Repair. In the event any part of the Condominium property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) One Or More Units Tenantable. In the event the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by unanimous vote of all of the Co-owners in the Condominium that the Condominium shall be terminated and each institutional holder of a first mortgage lien on any Unit in the Condominium has given its prior written approval for such termination.

(b) No Unit Tenantable. In the event the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless seventy-five (75%) percent or more of all the Co-owners agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. Repair In Accordance With Master Deed, Etc. 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 66 2/3rds percent of the Co-owners shall consent to do otherwise.

Section 3. Association Responsibility for Certain Non-Common Element Repairs to the Extent of its Insurance Proceeds. In the event that damage occurs to any of the following listed items and there is coverage under the Association's policy, then the reconstruction or repair of these items shall become the duty of the Association except that the portion of the expense incurred but not recovered by virtue of any insurance deductible shall be the Co-owner's obligation:

- (a) interior walls within a Co-owner's Unit.
- (b) pipes, wire, conduits, ducts or other Common Elements within the Unit.
- (c) any fixtures, equipment and trim which were standard items (or like kind replacements thereof).
- (d) 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 and water heaters, if any.

(e) All windows, doors, storm doors and door walls and their locking mechanisms, handles, knobs and related hardware and screens.

(f) 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 circuit breakers.

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

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

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

(j) 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.

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

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 4. Association Responsibility For Common Element Repairs and "Incidental Damages". The Association shall be responsible for reconstruction, repair and maintenance of the Common Elements as provided in the Master Deed, and all maintenance, repair and replacement of docks, "French" drains, maintenance of the beach areas and replenishment of beach sand. The Association shall further be liable for any incidental damage (only as that term is hereafter defined) to a Unit caused by such Common Elements or the reconstruction, repair or maintenance thereof. "Incidental damage" shall be defined as damage incurred to the drywall and/or floor of a Unit, but excludes any damage to the contents of a Unit, including, but not limited to, wallpaper, carpeting, paneling, furniture, and personal property. Notwithstanding anything hereinabove to the contrary, the responsibility of the Association for "incidental damage" to a Unit under the provisions of this Section 4 shall not exceed the sum of \$500.00 per occurrence. Any "incidental damage" to a Unit as described in this Section 4 in excess of \$500.00 shall be borne by the Co-owner of the Unit. In the event that the Co-owner shall have insurance which covers "incidental damage" as herein defined, the Association shall not be liable for any "incidental damage" and the insurance carrier of the Co-owner shall have no right of subrogation against the Association. This Article shall not be construed to require replacement of mature trees or vegetation with equivalent trees or vegetation.

Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair or reconstruction, the Association shall obtain reliable and detailed estimates of the cost

to place 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 payment of the costs thereof are insufficient, assessments shall be made against the Co-owners who are responsible for the costs of reconstruction or repair of the damaged property (as provided in the Master Deed) in sufficient amounts to provide funds to pay the estimated or actual costs of repair.

**Section 5. Co-owner Responsibility for Repair If Not Covered by Association Insurance Policy Proceeds.** Each Co-owner shall be responsible for wear and tear, ordinary decoration, maintenance, repair and replacement (and casualty damage not covered by the Association's insurance proceeds) involving the interior of the Co-owner's Unit, including all finished flooring and floor coverings, all interior walls, wall coverings, interior trim and all of the items enumerated in Section 3 hereinabove.

**Section 6. Timely Reconstruction and Repair.** The Association or Co-owner responsible for the reconstruction, repair and/or maintenance shall proceed with and complete reconstruction, repair, maintenance or replacement of the damaged property without delay. In the event a Co-owner fails to timely complete any reconstruction, repair, maintenance or replacement, the Association may proceed with the work and assess the resulting costs to the Co-owner.

**Section 7. Eminent Domain.** Section 133 of the Act and the following provisions shall control upon any taking by eminent domain.

(a) **Taking of Entire Unit.** In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the owner and his/her mortgagee, they shall be divested of all interest in the Condominium. In the event that any condemnation award shall become payable to any Co-owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Co-owner and his/her mortgagee, as their interests may appear.

(b) **Taking of Common Elements.** If there is any taking of any portion of the Condominium other than any Unit, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than fifty (50%) percent of all of the Co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) **Continuation of Condominium After Taking.** In the event the Condominium continues after taking by eminent domain, then the remaining portion of the Condominium shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Paragraph 6 of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of one hundred (100%) percent. A Condominium Unit partially taken shall receive a reallocated percentage of value based pro rata on the percentage taken. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner, but only with the prior written notice to all holders of first mortgage liens on individual Units in the Condominium.

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

Section 8. Mortgages Held By FHLMC; Other Institutional Holders. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefor by FHLMC, the Association shall give it 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 if the loss or taking exceeds \$10,000.00 in amount or if damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$10,000.00. The Association shall provide such other reasonable notice as may be required, from time to time, by other institutional holders of mortgages upon Units.

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

## ARTICLE VI

### RESTRICTIONS

Section 1. Residential Use. No Unit in the Condominium shall be used for other than residential purposes and the Common Elements shall only be used for purposes consistent with those set forth in this Section 1. Neither the Units nor the Common Elements shall be used in violation of applicable zoning and other ordinances of the Township of Northville or in violation of other pertinent laws and/or public regulations.

#### Section 2. Leasing And Rental.

(a) Violation of Condominium Documents by Tenants or Non-Co-owner Occupants. If the Association determines that the tenant or non-Co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

(1) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant or non-Co-owner occupant.

(2) The Co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or non-Co-owner occupant or advise the Association that a violation has not occurred.

(3) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its own behalf an action for eviction against the tenant or non-Co-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-Co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this subsection may be by summary proceedings. The Association may hold both the tenant or non-Co-owner occupant and the Co-owner liable for any damages caused by the Co-owner or tenant or non-Co-owner occupant in connection with the Condominium Unit or the Condominium and for actual legal fees incurred by the Association in connection with legal proceedings hereunder.

(b) Arrearage in Condominium 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 Condominium 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 be a breach of the rental agreement or lease by

the tenant. The form of lease used by any Co-owner shall explicitly contain the foregoing provisions. Pursuant to the Michigan Condominium Act, if the tenant, after being notified, fails or refuses to remit rent otherwise due the Co-owner to the Association of Co-owners, then the Association of Co-owners may do the following:

(1) issue a statutory notice to quit for nonpayment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.

(2) initiate proceedings pursuant to MCL 559.212(4)(b).

(c) A Co-owner may lease his unit for a minimum term of six (6) months for the same purposes set forth in Section 1 above provided the occupancy is only by the lessee and his family. No rooms in a unit may be rented and no transient tenants accommodated. An exact copy of the proposed lease shall be provided to the Association ten (10) days prior to presenting it to the tenant for execution and shall specifically state that the tenant acknowledges that he/she must abide by all of the terms and conditions of the Condominium Documents including the Association's rules and regulations. If no lease form is to be used, then the Co-owner shall supply the Association of co-owners with the name and address of the potential lessee, along with the rental amount and due dates under the proposed agreement.

Section 3. Alterations And Modifications Of Units And Common Elements. No Co-owner shall make alterations in exterior appearance or make structural modifications to the Co-owner's 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 advance express written approval of the Board of Directors (which approval shall be in recordable form), including, but not by way of limitation, exterior painting or the erection of antennas, lights, aerials, awnings, doors, shutters, newspaper holders, mailboxes, basketball backboards or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to walls between Units which in any way impair sound conditioning. Over the air reception devices including but not limited to satellite dish antennas shall not be attached or installed upon any General Common Element chimney or roof; such devices shall not be attached or installed upon any other General Common Element without the advance written permission of the Board of Directors. Over the air reception devices such as satellite dish antennas may be installed within Units or Limited Common Elements in accordance with the rules and regulations of the Federal Communications Commission. No attachment, appliance or other item may be installed which is designed to kill or repel insects or other animals by light or humanly audible sound.

The foregoing is subject to the applicable provisions of the Michigan Condominium Act governing improvements or modifications if the purpose of the improvement or modification is to facilitate access to or movement within the Unit for persons with disabilities under the circumstances provided for in the Act at MCL 559.147 a, as amended from time to time.

The Co-owner shall be responsible for the maintenance and repair of any such modification or improvement. In the event that the Co-owner fails to maintain and/or repair said modification or improvement to the satisfaction of the Association, the Association may undertake to maintain and/or repair same and assess the Co-owner the costs thereof and collect same from the Co-owner in the same manner as provided for the collection of assessments in Article II hereof. The Co-owner shall indemnify and hold the Association harmless from and against any and all costs, damages, and liabilities incurred in regard to said modification and/or improvement.

No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves, sump pumps, or any element which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments, including, but not limited to, patios and finished basements of any nature that

restrict such access and will have no responsibility for repairing or reinstalling any materials, (whether or not installation thereof has been approved hereunder), that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access.

**Section 4. Activities.** No unlawful or nuisance activity shall be carried on in any Unit or upon the Common Elements, Limited or General, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall be carried on in or on the Common Elements or in any Unit at any time. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: the use of firearms, air rifles, pellet guns, b-b guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

**Section 5. Pets.** No animals, including household pets shall be maintained by any person at the Condominium unless specifically approved in writing by the Association. No animal may be kept or bred for any commercial purpose. All animals shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements and all animals shall at all times be leashed and attended by some responsible person while on the Common Elements, Limited or General. The Board of Directors may, in its discretion, designate certain portions of the General Common Elements of the Project wherein such animals may be walked and/or exercised. Nothing herein contained shall be construed to require the Board of Directors to so designate a portion of the General Common Elements for the walking and/or exercising of animals.

No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability (including costs and attorney fees) which the Association may sustain as a result of the presence of such animal on the premises, whether or not the Association has given its permission therefor, and the Association may assess and collect from the responsible Co-owner such losses and/or damages in the manner provided in Article II hereof.

Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No animal which can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper.

The Association may also assess fines for such violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. Small animals, which are constantly caged, such as small birds or fish shall not be subject to the foregoing restrictions.

**Section 6. Aesthetics.** The Common Elements, Limited or General, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. No unsightly condition shall be maintained on any patio or porch and only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind

shall be stored thereon during seasons when such areas are not reasonably in use. Trash receptacles shall be kept inside the Units or garages until dusk of the day preceding collection and shall be returned inside on the day of collection. Co-owners shall be responsible to clean up any garbage or trash which escapes their trash receptacles for any reason including but not limited to animals opening receptacles or removing items therefrom. 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 any Co-owner either in the Co-owner's Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 7. Utilization of Common Elements. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, and porches 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 bicycles, vehicles, chairs, benches or other objects may be left unattended on or about the Common Elements. Use of any recreational facilities or other amenities in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations; provided, however, that use of any amenities in the Condominium shall be limited to resident Co-owners who are members in good standing of the Association and to the tenants, land contract purchasers and/or other non-Co-owner occupants of Condominium Units in which the Co-owner does not reside and/or such guests as may be permitted by the rules and regulations made by the Association; provided, further, however, that the nonresident Co-owners of such Condominium Units are members in good standing of the Association. Only clean water may be deposited into the leaching basins as they are critical to the protection of the water quality of the lake; absolutely no oil, gas, cleaning agents or any other pollutants shall be deposited into any leaching basin or into the lake or its watershed.

Section 8. Vehicles. No mopeds, motorcycles, house trailers, recreational vehicles, or similar vehicles, such as vehicles larger than the standard parking spaces, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, mobile homes, dune buggies, motor homes, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles other than automobiles, mini-vans, sport utility vehicles and pickup trucks may be parked upon the premises of the Condominium, unless specifically approved by the Association or parked in an area specifically designated therefor by the Association. Each resident shall park their vehicles within their garage and driveway but not elsewhere upon the Common Elements. Nothing herein contained shall be construed to require the Association to approve the parking of such vehicles as are described in the first sentence of this Section or to designate an area therefor. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of such vehicles or to designate an area therefor.

Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pick-ups in the normal course of business. For purposes of this Section, the term "commercial vehicle" means any vehicle that has any one of the following characteristics: (a) more than two axles; (b) gross vehicle weight rating in excess of 10,000 pounds; (c) visibly equipped with or carrying equipment or materials used in a business; or (d) carrying a sign advertising or identifying a business.

Non-operational vehicles, and vehicles with expired license plates shall not be parked or stored on the Condominium Premises without the written permission of the Board of Directors. Vehicles which detract from the appearance of the Condominium shall not be parked or stored on the Condominium Premises. Non-emergency maintenance or repair of motor vehicles shall not be permitted on the Condominium Premises unless specifically approved by the Board of Directors. The Association may assign General Common Element parking spaces for the use of the Co-owners of a particular Unit or Units in an equitable manner.

The Association may cause vehicles parked or stored in violation of this Section or of any applicable rules and regulations of the Association to be removed from the Condominium Premises and the cost of such removal may be assessed to, and collected from, the Co-owner of the Unit responsible for the presence

of the vehicle in the manner provided in Article II hereof. Co-owners shall, if the Association shall require, register with the Association all vehicles maintained on the Condominium Premises. The Board of Directors may make reasonable rules and regulations governing the parking of vehicles in the Condominium consistent with the provisions hereof.

Section 9. Signs, Advertising. No signs shall be displayed which are visible from the exterior of a Unit or on the Common Elements at any time for any reason without the advance written permission of the Association. This prohibition includes, but is not limited to, "For Sale" signs, "open" signs, "Garage Sale" signs and political signs. No advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements at any time without the advance written permission of the Association.

Section 10. Regulations. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Condominium may be made and amended from time to time by the Board of Directors of the Association. Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Co-owners.

Section 11. Right Of Access Of Association. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents 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 and/or to protect the safety and/or welfare of the inhabitants of the Condominium.

It shall be the responsibility of each Co-owner to provide the Association means of access to the Co-owner's Unit and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to the Co-owner's Unit and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access. In the event that it is necessary for the Association to gain access to a Unit to make repairs to prevent damage to the Common Elements or to another Unit or to protect the safety and welfare of the inhabitants of the Condominium, the costs, expenses, damages, and/or attorney fees incurred by the Association in such undertaking shall be assessed to the responsible Co-owner and collected in the same manner as provided in Article II of these Bylaws, including all damages resulting from any Co-owner or their tenants, family, occupants, invitees or contractor's failure or delay in providing access to the Association. The Association shall have no liability for damages to Co-owner alterations, betterments, improvements or customizations resulting from the Association's efforts to gain access to any common element nor shall the Association be held liable for the expenses of the removal or replacements of any such obstructions.

Section 12. Landscaping. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Association in writing. Any such approved landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted by the Co-owner shall be performed and/or planted, as the case may be, in a manner consistent with the landscaping in other portions of the Condominium Premises. The Co-owner shall be responsible for the maintenance of any such approved landscaping performed by a Co-owner and any such trees, shrubs, or flowers planted by the Co-owner. In the event that such Co-owner fails to adequately maintain such landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted by the Co-owner to the satisfaction of the Association, the Association shall have the right to perform such maintenance and assess and collect from

the Co-owner the cost thereof in the manner provided in Article II hereof. The Co-owner shall also be liable for any damages to the Common Elements arising from the performance of such landscaping or the planting of such trees, shrubs, or flowers, or the continued maintenance thereof.

Section 13. Co-owner Maintenance. Each Co-owner shall maintain his/her Unit and any Limited Common Elements appurtenant thereto for which he/she 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, 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, or to other Co-owners, as the case may be, resulting from negligent damage to or misuse of any of the Common Elements by the Co-owner, or his/her family, guests, tenants, land contract purchasers, 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 full reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association or to other Co-owners, as the case may be, 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 14. Assessment Of Costs Of Enforcement. Any and all costs, damages, expenses and/or attorney fees incurred by the Association in enforcing any of the restrictions set forth in this Article VI and/or rules and regulations made by the Board of Directors of the Association under Article VI, Section 10 of these Bylaws, and any expenses incurred as a result of the conduct of less than all those entitled to occupy the Condominium Project, or by their licensees or invitees, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 15. Use of Lake and Canals. The lake and adjoining canals are common elements restricted in use to members of the Association, their families and accompanied guests. Power boats other than those propelled by electric motors generating speeds of not greater than 5 m.p.h. are prohibited. Boats and other water craft may only be docked at the designated docking areas.

## ARTICLE VII

### MORTGAGES

Section 1. Notice To Association. Any Co-owner who mortgages his/her Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units". The Association shall report any unpaid assessments due from the Co-owner of such Unit to the holder of any first mortgage covering such Unit upon request. The Association may also give to the holder of any first mortgage covering any Unit in the Condominium written notification of any other 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. Upon request, 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. Each Co-owner shall be entitled to one (1) vote for each Condominium Unit owned.

Section 2. Eligibility To Vote. No Co-owner shall be entitled to vote at any meeting of the Association until he/she has presented a deed or other evidence of ownership of a Unit in the Condominium to the Association. Land contract vendees shall be recognized as owners unless the vendor provides the Association with a copy of the land contract expressly reserving voting privileges to the vendor. 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 below or by a proxy given by such individual representative. No Co-owner who is in default of a duty to pay any sum to the Association shall be entitled to vote until such default is cured.

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, address and telephone number of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name, address and telephone number 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.

Section 4. Quorum. The presence in person or by proxy of thirty-five (35%) percent of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically provided herein to require a greater quorum. The written ballot of any person furnished at or prior to any duly called meeting at which meeting said 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 ballot is cast.

Section 5. Voting. Votes may be cast in person or by proxy or by a written ballot duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any ballots must be filed with the Secretary of the Association, or such other person as the Association shall designate, at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, the requisite affirmative vote may be required to exceed the simple majority hereinabove set forth.

## ARTICLE IX

### MEETINGS

Section 1. Location; procedure. Meetings of the Association shall be held at such suitable place convenient to the Co-owners as may be designated by the Board of Directors. Voting shall be as provided in the Condominium Bylaws. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order, when not otherwise in conflict with the Articles of Incorporation, the Bylaws of the Corporation, the Condominium Master Deed or the laws of the State of Michigan.

Section 2. Annual Meeting; Agenda. Annual Meetings of members of the corporation shall be held during the month of September at such date, time and place as the Board of Directors shall direct. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article III of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Corporation as may properly come before them. At the Annual Meeting of members, the order of business shall be as follows, unless otherwise determined by the Board:

- (a) Calling the meeting to order.
- (b) Proof of notice of the meeting.
- (c) Determination of Quorum.
- (d) Reading of minutes of the last previous Annual Meeting.
- (e) Election of directors.
- (f) Reports from officers.
- (g) Reports from committees.
- (h) Miscellaneous business.

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 a majority 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. Membership Meeting Notices. 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) calendar days but not more than sixty (60) calendar 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 to be filed with the Association by Article VIII, Section 3 of the Condominium Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association shall be deemed due notice.

Section 5. Quorum. The presence in person or by proxy of thirty-five (35%) percent of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically provided herein to require a greater quorum. The written ballot of any person furnished at or prior to any duly called meeting at which meeting said 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 ballot is cast.

Section 6. Adjournment for want of Quorum. 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 forty-eight (48) hours from the time the original meeting was called.

## ARTICLE X

### BOARD OF DIRECTORS

Section 1. Eligibility. The affairs of the corporation shall be governed by a Board of Directors all of whom must be members of the corporation or the legal spouse of a member 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. Only one person per unit shall be eligible as a candidate notwithstanding the fact that the unit is jointly owned by two or more persons and/or entities. If a member is a partnership then only a partner thereof shall be qualified and eligible to serve as a director. If a member is a corporation, then only a shareholder or a director thereof shall be qualified and eligible to serve as a director. Any co-owner landlord who is neither a partnership nor a corporation shall be qualified and eligible to serve as a director only in his or her individual capacity and the tenant or agent of such landlord shall not be qualified or eligible to serve as a director.

Section 2. Size, Terms of Office. The Board of Directors shall be composed of five (5) persons who shall manage the affairs of the corporation. Directors shall serve without compensation. Directors shall serve until their successors take office. The term of office for each Director shall be two (2) years. The terms of office of the Directors have previously been staggered so that either two (2) or three (3) terms of office will expire in any given year.

Section 3. Powers, Duties. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners. In addition to the foregoing general duties imposed by these Bylaws, or any further duties which may be imposed by resolution of the members of the Association or which may be set forth in the Association Bylaws, the Board of Directors shall be responsible specifically for the following:

- (a) Management and administration of the affairs of and maintenance of the condominium project and the common elements thereof.
- (b) To collect assessments 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 project.
- (f) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any apartment 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 and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of more than sixty (60%) percent of all of the members of the Association.

(h) To make rules and regulations in accordance with Article VI, Section 10 of the Condominium 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.

(k) The Board of Directors may employ for the Association a professional management agent 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 above, 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.

Section 4. Vacancies. Vacancies in the Board of Directors 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 Association.

Section 5. Recall. At any regular or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by affirmative vote of at least fifty-one (51%) percent of the entire membership and a successor may then and there be elected to fill any vacancy thus created. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

Section 6. First Meetings of Boards. The first meeting of a newly elected Board of Directors shall be held within ten (10) calendar days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no other notice shall be necessary to the newly elected Directors to constitute a duly called meeting.

Section 7. Regular Board Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, fax, telephone or email, at least ten (10) days prior to the date named for such meeting.

Section 8. Special Board Meetings. Special meetings of the Board of Directors may be called by the President on three (3) calendar days' notice to each Director, given personally, by mail, fax, telephone or email, 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 one Director.

Section 9. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. 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 be less than a quorum present, the majority of those present may adjourn the meeting from time to time. 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 11. Fidelity Bonds/Employee Dishonesty Insurance. The Board of Directors shall require that all directors, officers, agents and employees of the Association handling or responsible for Association funds shall be covered by adequate fidelity bonds and/or adequate employee dishonesty insurance purchased by the Association. The premiums on such bonds and/or insurance shall be expenses of administration. Such bonds shall not be less than the estimated maximum of funds, including reserve funds and in no event less than a sum equal to three month's aggregate assessments on all units plus reserve funds.

Section 12. Executive Sessions. The Board of Directors, in its discretion, may close a portion or all of any meeting of the Board of Directors to the members of the Association or may permit members of the Association to attend a portion or all of any meeting of the Board of Directors. Any member of the Association shall have the right to inspect, and make copies of, the minutes of the meetings of the Board of Directors; provided, however, that no member of the Association shall be entitled to review or copy any minutes which reference privileged communications between the Board of Directors and counsel for the Association, or any other matter to which a privilege against disclosure pertains under Michigan Statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules.

## ARTICLE XI

### OFFICERS

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

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

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

Section 4. President. The President shall be the chief executive officer of the Association. He/She shall preside at all meetings of the Association and of the Board of Directors. He/She shall have all of the

~~March 31st 1962  
585 314 6275~~

general powers and duties which are usually vested in the office of the President of an association, including, but not limited to the power to appoint committees from among the members of the Association from time to time as he/she may in his/her discretion deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his/her 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 upon him/her by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of the meetings of the members of the Association; he/she shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and he/she shall, in general, perform all duties incident to the office of the Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He/She 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 depositaries as may, from time to time, be designated by the Board of Directors.

Section 8. Miscellaneous. 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

### 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 non-privileged Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be reviewed or audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does there need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The cost of any such review or audit and any accounting expenses shall be expenses of administration.

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

Section 3. Depositories. The funds of the Association shall be initially deposited in such credit unions, banks or with insured securities brokers or invested in federally insured securities as may be designated by the directors 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 banks or credit unions as are insured by an agency of the federal government and may also be invested in interest-bearing obligations of the United States Government or in such other depositories as may be adequately insured in the discretion of the Board of Directors.

## ARTICLE XIII

### INDEMNIFICATION OF OFFICERS AND DIRECTORS; DIRECTORS' AND OFFICERS' INSURANCE

Section 1. Indemnification Of Directors And Officers. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and amounts paid in settlement incurred by or imposed upon the director or officer in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, to which the director or officer may be a party or in which he/she may become involved by reason of his/her being or having been a director or officer of the Association, whether or not he/she is 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 the director's or officer's duties, and except as otherwise prohibited by law; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the 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.

Section 2. Directors' And Officers' Insurance. The Association shall provide liability insurance for every director and every officer of the Association for the same purposes provided above in Section 1 and in such amounts as may reasonably insure against potential liability arising out of the performance of their respective duties. With prior written consent of the Association, a director or an officer of the Association may waive any liability insurance for such director's or officer's personal benefit. No director or officer shall collect for the same expense or liability under Section 1 above and under this Section 2; however, to the extent that the liability insurance provided herein to a director or officer was not waived by such director or officer and is inadequate to pay any expenses or liabilities otherwise properly indemnifiable under the terms hereof, a director or officer shall be reimbursed or indemnified only for such excess amounts under Section 1 hereof.

## ARTICLE XIV

### AMENDMENTS

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

Section 2. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

Section 3. Voting. These Bylaws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than sixty-six and two thirds (66 2/3%) percent of all Co-owners. Notwithstanding any provision of the Condominium Documents to the

contrary, mortgagees are entitled to vote only on amendments which are material to their interests as defined in the Michigan Condominium Act as amended from time to time.

Section 4. When Effective. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the County Register of Deeds.

Section 5. Binding. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium irrespective of whether such persons actually receive a copy of the amendment.

## ARTICLE XV

### COMPLIANCE

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

## ARTICLE XVI

### DEFINITIONS

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

## ARTICLE XVII

### REMEDIES FOR DEFAULT

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 and provisions of the Condominium Documents or the Act, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

(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 attorney 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, if successful, shall be entitled to recover the costs of the proceeding and such

reasonable attorney fees, (not limited to statutory fees) as may be determined by the Court, but in no event shall any Co-owner be entitled to recover such attorney fees. The Association, if successful, shall also be entitled to recoup the costs and attorney's 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 Co-owner, occupant or guest of any of the provisions of the Condominium Documents including any of the provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessments by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted through such Co-owner to the Condominium Premises.

(1) Procedures. Upon any such violation being alleged by the Board, the following procedures will be followed:

a. Notice. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Article VIII, Section 3 of these Bylaws.

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

c. Default. Failure to respond to the notice of violation constitutes a default.

d. Hearing and Decision. Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or, in the event of the Co-owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

(2) Amounts. Upon violation of any of the provisions of the Condominium Documents and after default of the offending Co-owner or upon the decision of the Board as recited above, the following fines shall be levied:

a. FIRST VIOLATION: No fine shall be levied.

- b. SECOND VIOLATION: Twenty-five Dollar (\$25.00) fine.
- c. THIRD VIOLATION: Fifty Dollar (\$50.00) fine.
- d. FOURTH VIOLATION AND SUBSEQUENT VIOLATIONS: One Hundred Dollar (\$100.00) fine.

(3) Continuing Violations. In the event that a violation continues beyond 10 days from the date of the offending Co-owner's hearing at which the Board determines that a violation has occurred, the continuing violation will be treated as a separate and subsequent violation and new and increased fines may be levied on each occasion of any subsequent violation determination without the necessity of a further hearing or hearings thereon.

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

Section 2. Nonwaiver Of Right. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, 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 aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

## ARTICLE XVIII

### 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.

93002439

FINAL CONSOLIDATING MASTER DEED  
OF THE  
BLUE HERON POINTE CONDOMINIUM

THIS FINAL CONSOLIDATING MASTER DEED of the Blue Heron Pointe Condominium is made and executed as of the 29<sup>th</sup> day of October, 1992, by Blue Heron Pointe, Inc., a Michigan corporation, whose address is 30069 Wixom Road, Wixom, Michigan 48096 (the "Developer"), pursuant to the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, hereinafter referred to as the "Act"), as amended.

W I T N E S S E S E T H:

Developer is the successor developer under the Act to Beck Development Joint Venture I, a Michigan co-partnership, which originally established the Blue Heron Pointe Condominium pursuant to the Master Deed thereof, recorded in Liber 23491, Pages 557 through 616, Wayne County Records, and known as Blue Heron Pointe Condominium, Wayne County Condominium Subdivision Plan No. 227.

Developer has previously amended the Master Deed and the Condominium Subdivision Plan attached thereto pursuant to a First Amendment to Master Deed dated June 6, 1989 and recorded on June 8, 1989 at Liber 24206, page 260, Wayne County Records, and pursuant to a Second Amendment to Master Deed recorded on June 23, 1989 in Liber 24227, page 170, Wayne County Records, and pursuant to a Third Amendment to Master Deed dated March 29, 1990 and recorded on May 16, 1990 at Liber 24649, page 923, Wayne County Records.

Developer wishes to establish this Final Consolidating Master Deed pursuant to Sections 52, 74 and 90 of the Act and Section 4 of Article VIII of the Master Deed, as amended, together with the Condominium Bylaws attached hereto as Exhibit "A" and the Condominium Subdivision Plan attached hereto as Exhibit "B".

NOW, THEREFORE, the Developer does hereby establish this Final Consolidating Master Deed for the Blue Heron Pointe Condominium, a condominium, and does declare that the Blue Heron Pointe Condominium (hereinafter sometimes referred to as the "Condominium Project") shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Master Deed and Exhibits A and B hereto, all of which shall be deemed to run with the land and shall be a burden and a benefit to any persons now owning or hereafter acquiring or owning an interest in the said land, their grantees, successors, heirs, executors, administrators and assigns. In furtherance of the foregoing, it is provided as follows:

a:blue-her.cmd  
October 8, 1992

REGISTRATION  
NUMBER  
100-1000000000

EXAMINED AND APPROVED  
DATE JAN 4 1993  
BY D. P. Lane  
DANIEL P. LANE

23 JAN - 6 MMIG: 42

L126266PA025

PROOF OF NOTIFICATION OF  
PROPOSED FINAL CONSOLIDATING MASTER DEED  
OF BLUE HERON POINTE CONDOMINIUM  
WAYNE COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 227

The undersigned, Dennis A. Park, President of Blue Heron Pointe, Inc., and Earl J. LaFave, Secretary/Treasurer of Blue Heron Pointe, Inc., a Michigan corporation, Developer, hereby states that, in accordance with Section 90(5) of the Michigan Condominium Act, as amended, all co-owners and mortgagees of record have been duly notified of the proposed First Consolidating Master Deed, by which the Blue Heron Pointe Condominium Master Deed will be amended and restated pursuant to Sections 52, 74 and 90 of the Act, and Section 4 of Article VIII of the original Master Deed, as amended.

The undersigned further states that the attached is a true and complete list of the co-owners and mortgagees of Blue Heron Pointe Condominium as of this date.

October 29, 1992

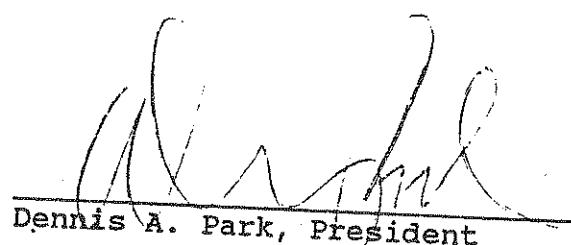
WITNESSES:

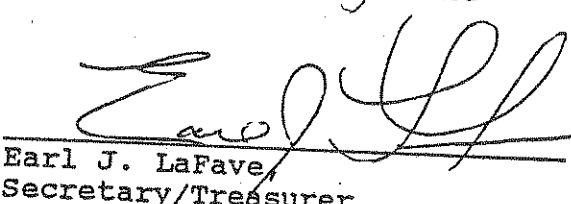
Suzanne M. Morse  
Suzanne M. Morse

Lorna A. Gillis  
LORNA A. GILLIS

Suzanne M. Morse  
Suzanne M. Morse

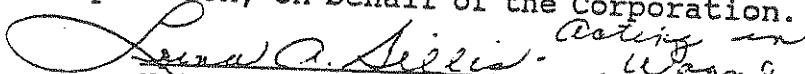
Lorna A. Gillis  
LORNA A. GILLIS

  
Dennis A. Park, President

  
Earl J. LaFave,  
Secretary/Treasurer

STATE OF MICHIGAN )  
                        ) SS.  
COUNTY OF OAKLAND )

The foregoing was acknowledged before me this 29th day of October, 1992, by Dennis A. Park, the President of Blue Heron Pointe, Inc., and Earl J. LaFave, Secretary/Treasurer of Blue Heron Pointe, Inc., a Michigan corporation, on behalf of the Corporation.

  
Lawrence A. Kilgore - Notary Public, Oakland County, MI  
My Commission Expires: 1/24/96

Drafted by, and when recorded  
return to:

Lawrence A. Kilgore  
Evans & Luptak  
31731 Northwestern Hwy.  
Suite 201E  
Farmington Hills, MI 48334

L126266PA026

## ARTICLE I

### TITLE AND NATURE

Upon the recording hereof, this Final Consolidating Master Deed amends and restates the Master Deed that established the Condominium Project, all amendments thereto, and the Condominium Bylaws and Condominium Subdivision Plan attached thereto, as amended. As provided by the Act and the Master Deed, as amended, this Final Consolidating Master Deed (hereinafter referred to as the "Master Deed") and Exhibits "A" and "B" attached hereto shall supersede the previously recorded Master Deed, Condominium Bylaws and Condominium Subdivision Plan and all amendments thereto.

The Condominium Project shall be known as Blue Heron Pointe Condominium, according to Replat No. 2 of Wayne County Condominium Subdivision Plan No. 227. The architectural plans and specifications for each unit constructed in the Condominium Project have been filed with the Township of Northville, Wayne County, Michigan. The Condominium Project consists of One Hundred Forty (140) residential condominium units on the land described in Article II hereof. The buildings and Units contained in the Condominium Project, including the location, boundaries, dimensions, volume and area of each Unit therein, and the designation of Common Elements as general Common Elements or Limited Common Elements are as set forth in the Condominium Subdivision Plan attached as Exhibit "B" attached hereto. Each Unit has been constructed exclusively for residential purposes and each Unit is capable of individual utilization on account of having its own entrance from and exit to a Common Element of the Condominium Project. Each Co-Owner in the Condominium Project shall have a particular and exclusive property right to his Unit and the Limited Common Elements appurtenant to such Unit, and shall have undivided and inseparable rights to share with the other Co-Owners the general Common Elements of the Condominium Project as are designated by the Master Deed.

## ARTICLE II

### LEGAL DESCRIPTION

A part of the E.  $\frac{1}{2}$  of Section 8, T1S, R8E, Township of Northville, Wayne County, Michigan, being more particularly described as follows:

Beginning at the East  $\frac{1}{2}$  corner of Section 8; thence S 00°57'31" E. 348.60 feet along the East line of Section 8 said line also being the (nominal) centerline of Beck Road; thence S 86°43'33" W. 1224.61 feet; thence N 01°24'48" W. 350.23 feet; thence S 89°02'00" W. 68.00

L126266PA027

feet; thence N 01°18'45" W. 1930.64 feet; thence N 85°39'52" E. 658.89 feet; thence N 01°07'15" W. 75.99 feet; thence N 84°23'33" E. 350.95 feet; thence S 01°03'04" E. 210.06 feet; thence N 84°15'04" E. 300.00 feet to a point on the East line of Section 8, said line also being the (nominal) centerline of Beck Road; thence S 00°56'57" E. 1840.97 feet along the East line of Section 8 to the point of beginning, containing 67.75 acres and being subject to all easements, restrictions and right of ways of record.

### ARTICLE III

#### DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits "A" and "B" hereto, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation and rules and regulations of the Blue Heron Pointe Condominium Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in Blue Heron Pointe Condominium as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

Section 1. ACT. The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

Section 2. ASSOCIATION. "Association" means Blue Heron Pointe Condominium Association, which is the non-profit corporation organized under Michigan law of which all Co-Owners shall be members, which corporation shall administer, operate, manage and maintain the Condominium.

Section 3. BYLAWS. "Bylaws" means Exhibit A hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-Owners and required by Section 3(8) of the Act to be recorded as part of the Master Deed. The Bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act.

Section 4. COMMON ELEMENTS. "Common Elements", where used without modification, means both the General and Limited Common Elements described in Article IV hereof.

Section 5. CONDOMINIUM DOCUMENTS. "Condominium Documents" means and includes this Master Deed and Exhibits A and B hereto, and the Articles of Incorporation, Bylaws and rules and

regulations, if any, of the Association, as all of the same may be amended from time to time.

Section 6. CONDOMINIUM PREMISES. "Condominium Premises" means and includes the land described in Article II above, all improvements and structures thereon, and all easements, rights and appurtenances belonging to Blue Heron Pointe Condominium as described above.

Section 7. CONDOMINIUM PROJECT, CONDOMINIUM OR PROJECT. "Condominium Project", "Condominium" or "Project" each mean Blue Heron Pointe Condominium as a Condominium Project established in conformity with the Act.

Section 8. CONDOMINIUM SUBDIVISION PLAN. "Condominium Subdivision Plan" means Exhibit B hereto.

Section 9. CONSOLIDATING MASTER DEED. "Consolidating Master Deed" means this final amended Master Deed, which shall supersede the previously recorded Master Deed for the Condominium and all amendments thereto.

Section 10. CONSTRUCTION AND SALES PERIOD. "Construction and Sales Period", for the purposes of the Condominium Documents and the rights reserved to Developer thereunder, means the period commencing with the recording of the Master Deed and continuing as long as the Developer owns any Unit which it offers for sale.

Section 11. CO-OWNER OR OWNER. "Co-Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which own one or more Units in the Condominium Project. The term "Owner", wherever used, shall be synonymous with the term "Co-Owner".

Section 12. DEVELOPER. "Developer" means Blue Heron Pointe, Inc., a Michigan corporation, which has made and executed this Master Deed, and its successors and assigns. Both successors and assigns of Blue Heron Pointe, Inc. shall always be deemed to be included within the term "Developer" whenever, however, and wherever such terms are used in the Condominium Documents.

Section 13. FIRST ANNUAL MEETING. "First Annual Meeting" means the initial meeting at which non-developer Co-Owners are permitted to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting is to be held (a) in the Developer's sole discretion after 50% of the Units which may be created are sold, or (b) mandatorily within (i) 54 months from the date of the first Unit conveyance, or (ii) 120 days after 75% of all Units which may be created are sold, whichever first occurs.

L126266PA029

Section 14. TRANSITIONAL CONTROL DATE. "Transitional Control Date" means the date on which a Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible Co-Owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

Section 15. UNIT, CONDOMINIUM UNIT OR SITE CONDOMINIUM UNIT. "Unit", "Condominium Unit" or "Site Condominium Unit" each mean a single Unit in Blue Heron Pointe Condominium, as the same may be described in Article V, Section 1 hereof and on Exhibit B hereto and shall have the same meaning as the term "Condominium Unit" as defined in the Act. All structures or improvements no or hereafter located within the boundaries of a Unit shall be owned in their entirety by the Co-Owner of the Unit in which they are located and shall not, unless expressly provided in the Condominium Documents, constitute Common Elements.

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

## ARTICLE IV

### COMMON ELEMENTS

The Common Elements of the Project, and the respective responsibilities for maintenance, decoration, repair or replacement thereof, are as follows:

Section 1. GENERAL COMMON ELEMENTS. The General Common Elements are:

(a) LAND. The land, including the lake and canals, described in Article II hereof as may be hereafter amended (other than that portion thereof described in Article V, Section 1, and in Exhibit "B" hereto as constituting the Condominium Units and their appurtenant Limited Common Elements).

(b) ELECTRICAL. The electrical transmission system throughout the Project up to, but not including, the electric system and meter for each residential dwelling that now or hereafter is constructed within the perimeter of a Unit, together with common lighting for the Project designated as such by the Developer, if any is installed.

L26266PA030

(c) TELEPHONE. The telephone system throughout the Project up to the point of connection to each residential dwelling that now or hereafter is constructed within the perimeter of a Unit.

(d) GAS. The gas distribution system throughout the Project up to, but not including, the gas system and meter for each residential dwelling that now or hereafter is constructed within the perimeter of a Unit.

(e) WATER. The water distribution system throughout the Project up to, but not including, the water system and meter for each residential dwelling that now or hereafter is constructed within the perimeter of a Unit.

(f) SANITARY SEWER. The sanitary sewer system throughout the Project up to the point of entry to each dwelling now or hereafter constructed within the perimeter of a Unit.

(g) SPRINKLER SYSTEM. The general sprinkler system utilized to water the landscaping throughout the Condominium.

(h) STORM SEWER. The storm sewer system throughout the Project, including the catch basins and leaching basins.

(i) TELECOMMUNICATIONS. The telecommunications system throughout the Project, if and when it may be installed, up to, but not including, connections to provide service to each residential dwelling that now or hereafter is constructed within the perimeter of a Unit.

(j) ROADWAY. The private roadway which provides access to the Units and their appurtenant Limited Common Elements.

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

Some or all of the utility lines, systems (including mains and service leads), equipment, and the telecommunication system, described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems, equipment, and the telecommunication system, shall be General Common Elements only to the extent of the Co-Owners' interest therein, if any, and Developer makes no warranty whatever with respect to the nature or extent of such interest, if any.

L126266PA031

Section 2. LIMITED COMMON ELEMENTS. The Limited Common Elements shall be subject to the exclusive use and enjoyment of the owner of the Unit to which the Limited Common Elements are appurtenant. The Limited Common Elements are:

- (a) PORCHES AND BALCONIES. Each individual porch and balcony in the Project is restricted in use to the Co-Owner of the Unit which opens onto such porch and balcony as shown on Exhibit "B" hereto.
- (b) PATIOS. Each individual patio within the Limited Common Element Patio areas, as designated on Exhibit "B" hereto, shall be restricted in use to the Co-Owner of the Unit which opens into such patio area. Co-Owners may, upon specific written approval of the Association and the Developer during the Construction and Sales Period, construct patios, decks, privacy walls, and similar improvements within said areas. The precise number, size and type of construction of such improvements shall be approved prior to construction by the Association and the Developer during the Construction and Sales Period. So long as such improvements do not extend beyond the respective, appurtenant Limited Common Elements patio areas are for each unit, as shown on Exhibit "B" hereto, they need not be precisely depicted on the Condominium Subdivision Plan. To ensure compatibility with other portions of the Condominium Project, Co-Owners should consult Blue Heron Construction Company prior to constructing the aforesaid private amenities. Notwithstanding anything in this subsection (b) to the contrary, no deck or other improvement shall be constructed outside of the designated Limited Common Element patio area appurtenant to each respective unit as shown on Exhibit "B" hereto, unless, after written approval from the Association and the Developer during the Construction and Sales Period is obtained, the co-owner whose deck or other improvement has exceeded the designated Limited Common Element patio area promptly records the requisite amendment to the Condominium Subdivision Plan precisely depicting such deck or other improvement. In the event an amendment is thereby necessary, the costs attributable to its preparation and recordation shall be borne by the co-owner whose deck or other improvement exceeds the respective Limited Common Element patio area. The amendment shall be in a format which is satisfactory to the attorney for the Association or the attorney for the Developer during the Construction and Sales Period. The dimensions of the Limited Common Element patio areas, as designated on Exhibit "B" hereto, are as follows:

- (i) TYPICAL UNITS B AND C. The Limited Common Element patio areas for the units designated on the Condominium Subdivision Plans as "Typical B and C" (the two inside units of each building) extend 24' outward

L126268PA032

from the rear of such units in a plane parallel to the two side walls of the respective Unit dwelling, but in no event, notwithstanding anything to the contrary herein, shall such deck or other improvement be built closer than 10' to the edge of the lake and/or canals. The edge of the lake and/or canals shall be determined based on 820.5' above sea level.

(ii) TYPICAL UNITS A AND D. The Limited Common Element patio areas for the units designated on the Condominium Subdivision Plans as "Typical A and D" (the two outside units of each building) extend 22' from the rear of such units in a plane parallel to the two side walls of the respective Unit dwelling, and 10' beyond the dimensions of the outside (uncommon) wall directly parallel to the 22' area described above, as depicted on Exhibit "B" hereto. In the event that any two outside units (Typical A and D type) do not have sufficient footage to extend their deck or other improvement 10' beyond the dimensions of their outside (uncommon) wall directly parallel to the 22' area described above (i.e., less than 20' between such units), the total Limited Common Element patio area, as prescribed herein, between such units shall be equally divided, as is depicted on Exhibit "B" hereto, in the event either such co-owner constructs a deck or other improvement. In no event, notwithstanding anything to the contrary herein, shall such deck or other improvement be built closer than 10' to the edge of the lake and/or canals. The edge of the lake and/or canals shall be determined based on 820.5' above sea level.

In the event of any conflict between the language in this subsection and Exhibit "B", as attached hereto, this subsection shall control.

(c) AIR CONDITIONER AND COMPRESSORS. Each individual air conditioner compressor and its pad in the Project and the ground surface immediately below the same is restricted in use to the Co-Owner of the Unit which such air conditioner compressor services.

(d) GARAGE DRIVES. Each drive immediately adjacent to a garage is limited in use to the Co-Owner of the unit of corresponding number as designated in the Condominium Subdivision Plan.

(e) UTILITY METERS. Meters for natural gas and electricity shall be Limited Common Elements respectively appurtenant to each Unit for which they measure such utility service.

L126266PA033

(f) Intentionally Deleted.

(g) UNIT A-1 PRIVATE GAZEBO. The gazebo appurtenant to Building 1, Unit A, as depicted on Exhibit "B" hereto, is limited in use to the Co-Owner of Building 1, Unit A.

(h) LIMITED COMMON ELEMENT WITH MULTIPLE ACCESS. Each Limited Common Element With Multiple Access Area (lake access assignment), as depicted on Exhibit "B" hereto, is restricted in use to the Co-Owners of the Units in the Building Site that opens onto such Limited Common Element With Multiple Access Area, as depicted on Exhibit "B" hereto.

Section 3. RESPONSIBILITIES. The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements and the improvements constructed within Units are as follows:

(a) PRIMARY RESPONSIBILITY OF CO-OWNERS; DWELLINGS AND LIMITED COMMON ELEMENTS. It is anticipated that a separate residential dwelling will be constructed within each Unit depicted on Exhibit "B" hereto and that various appurtenances to such dwellings may extend into the Limited Common Elements surrounding the same. Except as otherwise expressly provided in or pursuant to Article IV, Section 3(b) below, the responsibility for, and the costs of maintenance, decoration, repair and replacement of any dwelling and appurtenance to each dwelling as a Limited Common Element shall be borne by the Co-Owner of the Unit which is served thereby; provided, however, that the exterior appearance of such dwellings and appurtenant Limited Common Elements, to the extent visible from any other Unit or Common Element on the Project, shall be subject at all times to the approval of the Association and to reasonable aesthetic and maintenance standards prescribed by the Association in duly adopted rules and regulations.

(b) ASSOCIATION RESPONSIBILITY FOR PORTIONS OF UNITS, DWELLINGS LOCATED THEREIN AND LIMITED COMMON ELEMENTS APPURtenant THERETO.

(1) MAINTENANCE, REPAIR AND REPLACEMENT OF EXTERIOR SIDING AND ROOFS; PAINTING AND/OR STAINING OF DWELLING EXTERIORS. The Association shall be responsible for the maintenance, repair, and replacement of the exterior siding and roofs of the dwellings constructed within the Units; provided, however, that the Association shall not be responsible for the maintenance (except painting and/or staining), repair or replacement of the balconies appurtenant to Units in the Condominium. The Association shall also be responsible for the painting and/or staining of the exteriors of the dwellings constructed within the Units and such

L126266PA034

painting and/or staining shall be performed at such times and with such materials and by such contractors as the Association shall, in its sole discretion, determine from time to time. The Association shall assess and collect from the Co-Owners of the respective Units all costs incurred with respect to such maintenance, repair, replacement, painting and/or staining referenced in this subsection attributable to the respective Units in the manner provided in Article II of the Condominium Bylaws (Exhibit "A" hereto).

(2) LANDSCAPING. The Association shall be responsible for the maintenance, repair and replacement of the lawns and landscaping installed by the Developer (and any replacements thereof by the Association) which are appurtenant to the Units, except for areas containing decks, patios, privacy areas or other improvements which, in the sole discretion of the Association, are determined to be inaccessible to the landscaping maintenance equipment of the Association or its employees or contractors.

(3) DRIVEWAYS. The Association shall be responsible for the maintenance, repair and replacement of garage driveways appurtenant to the Units as well as for snow plowing with respect thereto.

(4) LIMITED COMMON ELEMENT WITH MULTIPLE ACCESS. The Association shall be responsible for the maintenance, repair and replacement of the Limited Common Element With Multiple Access areas in the Condominium.

(5) COMMON LIGHTING. The Developer may (but is not required to) install illuminating fixtures within the Condominium and to designate the same as common lighting as provided in Article IV, Section 1(b) hereof. Some of such common lighting may be installed on the General Common Elements or may be located within the Limited Common Elements (such as coach lamps) or affixed to dwelling exteriors (such as exterior garage lights). The costs of electricity for common lighting located within Limited Common Elements or Units may be metered by the individual electrical meters of the Co-Owners to whose Unit the same are respectively appurtenant and shall be paid by such individual Co-Owners without reimbursement therefor from the Association. Said fixtures shall be maintained, repaired and replaced and light bulbs furnished by the Association. The sizes and nature of the bulbs to be used in the fixtures shall also be determined by the Association in its discretion. No Co-Owner shall modify or change such fixtures in any way nor shall a Co-Owner (except the Developer or the Association) cause the electricity flow for operation thereof to be interrupted at any time. Said fixtures shall operate on photoelectric cells

L126266PA035

whose timers shall be set by and at the discretion of the Association and shall remain lit at all times determined by the Association for the lighting thereof. As an example of the foregoing provisions of this subsection, each Co-Owner shall be responsible for the costs of electricity with respect to the use of the two (2) garage lights appurtenant to the Co-Owner's Unit; however, the Association shall maintain the photoelectric cell and shall replace the light bulbs for said lights. Further, the light bulbs for the center courtyard lights appurtenant to the respective Units shall be replaced by the Association and the cost of the electricity in regard to said center courtyard lights shall be paid by the Co-Owner of the two-story Unit housing the electric meter for the center courtyard light; provided, however, notwithstanding anything herein to the contrary, the Association shall advance the estimated costs of electricity in regard to the use of said center courtyard lights to said Co-Owner for each year in advance. The determination of Detroit Edison with respect to said estimated cost of electricity, based upon the assumption of twelve (12) hours use per day, 365 days per year, shall be conclusive with respect to the costs to be advanced to said Co-Owner by the Association.

(6) OTHER. In order to provide for flexibility in administering the Condominium, the Association, acting through its Board of Directors, shall also undertake such other regularly recurring, reasonably uniform, periodic maintenance functions with respect to exteriors of dwellings or other improvements constructed or installed within any Unit boundaries and their appurtenant Limited Common Elements. Any such additional services undertaken by the Association shall be charged to the benefitted Unit and assessed to and collected from the Co-Owner of said Unit in the manner provided in Article II of the Condominium Bylaws (Exhibit "A" hereto). The Developer, in the initial maintenance budget for the Association, shall be entitled to determine the nature and extent of such services and reasonable rules and regulations may be promulgated in connection therewith.

(c) GENERAL COMMON ELEMENTS. The cost of maintenance, repair and replacement of all General Common Elements shall be borne by the Association, subject to any provision of the Condominium Documents expressly to the contrary.

Section 4. USE OF UNITS AND COMMON ELEMENTS. No Co-Owner shall use his Unit or the Common Elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of any other Co-Owner in the use and enjoyment of his Unit or the Common Elements.

ARTICLE V

L126266PA036

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 1. DESCRIPTION OF UNITS. Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of Blue Heron Pointe Condominium as surveyed by JOSEPH L. BISHOP, R.L.S., and attached hereto as Exhibit B. Each Unit shall consist of the land contained within the Unit boundaries as shown in Exhibit B hereto and delineated with heavy outlines, together with all appurtenances thereto. All dwellings shall be constructed within Unit boundaries unless expressly approved otherwise in writing by the Developer during the Construction and Sales Period, and thereafter by the Association.

Section 2. PERCENTAGE OF VALUE. The percentage of value assigned to each Unit shall be equal. The determination that percentages of value should be equal was made after reviewing the comparative characteristics of each Unit which affects value and concluding that there are not material differences among the Units insofar as the allocation of percentages of value is concerned. The percentage of value assigned to each Unit shall be determinative of each Co-Owner's respective share of the Common Elements of the Condominium Project, the proportionate share of each respective Co-Owner in the proceeds and the expenses of administration and the value of such Co-Owner's vote at meetings of the Association. The total value of the Project is 100%.

ARTICLE VI

EXPANSION OF CONDOMINIUM

Section 1. AREA OF FUTURE DEVELOPMENT. The Condominium Project established pursuant to this Master Deed contains a maximum of 140 Units, and may not be further expanded to include additional land or Units without the consent of all of the Co-Owners and the consent of the holders of all institutional mortgages upon Units in the Condominium Project.

Section 2. Intentionally deleted.

Section 3. Intentionally deleted.

ARTICLE VII

(INTENTIONALLY DELETED)

L126266PA037

ARTICLE VIII

(INTENTIONALLY DELETED)

ARTICLE IX

EASEMENTS

Section 1. EASEMENT FOR MAINTENANCE OF ENCROACHMENTS AND UTILITIES. In the event of any encroachments due to shifting, settling or moving of a building, or due to survey errors, or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance, repair and replacement thereof following damage or destruction. Such reciprocal easements shall also exist for any encroachments necessitated by the architectural design of the structures, buildings and improvements therein, constructed within the Condominium. There shall also be easements to, through and over the entire Project, including all of the land, structures, buildings and improvements therein, for the installation, continuing maintenance and repair of all utilities in the Condominium. One of the purposes of this Section is to clarify the right of the Co-Owner to maintain structural elements and fixtures which project into the Common Elements surrounding each Unit notwithstanding their projection beyond the Unit perimeters.

Section 2. Intentionally deleted.

Section 3. EASEMENT FOR MAINTENANCE OF DWELLING EXTERIORS AND LIMITED COMMON ELEMENT AREAS. There shall be easements to and in favor of the Association, and its officers, directors, agent and designees, in, on and over all Units and their appurtenant Limited Common Element areas and Common Elements in the Project, for access to the units and the exterior of each of the residential dwellings that is constructed within the Project to permit the maintenance, decoration, repair and replacement thereof in accordance with the provisions of Article IV, Section 3 hereof and in accordance with the terms hereinafter set forth. Each Co-Owner shall, in the first instance, be responsible for decoration, maintenance, repair and replacement of the residential dwelling constructed within his Unit in the Project, together with all appurtenances thereto, except that painting and staining of the dwelling exteriors shall be performed by the Association as provided by the Association as provided in Article IV, Section 3(b) hereof. In the event such Co-Owner fails to maintain such residential dwelling and its appurtenances in accordance with the standards imposed by the Association and the Condominium Documents, however, the Association may enter upon the Unit (but not inside the residential dwelling) and the Limited Common Elements appurtenant thereto and perform any required decoration,

maintenance, repair or replacement in accordance with the provisions of Article IX, Section 6 below, and assess the costs thereof to the pertinent Co-Owner in accordance with the provisions of Article II of the Bylaws.

Section 4. RIGHTS RETAINED BY DEVELOPER. The Developer reserves all of the oil, gas and mineral rights in and under the land described in Article II above.

Section 5. GRANT OF EASEMENTS BY ASSOCIATION. The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant such easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium. No easements created under the Condominium Documents may be modified nor may any of the obligation with respect thereto be varied, without the consent of each person benefitted thereby.

Section 6. EASEMENTS FOR MAINTENANCE, REPAIR AND REPLACEMENT. The Association and all public or private utilities shall have such easements over, under, across and through the Condominium Premises, including all Units and Common Elements, as may be necessary to fulfill any responsibilities of maintenance, repair, decoration or replacements which they or any of them are required or permitted to perform under the Condominium Documents or by law. These easements include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to water meters, sprinkler controls and valves and other Common Elements located within any Unit or its appurtenant Limited Common Elements. Also, as indicated in Article IV, Section 3, it is a matter of concern that a Co-Owner may fail to properly maintain the dwelling and its appurtenances located within his Unit and its appurtenant Limited Common Elements in accordance with standards established by the Association. Therefore, in the event a Co-Owner fails, as required by this Master Deed, the Bylaws or any rules and regulations promulgated by the Association, to properly and adequately maintain, decorate, repair, replace or otherwise keep his Unit or any improvements or appurtenances located therein or any Limited Common Elements appurtenant thereto, the Association (and/or the Developer during the Construction and Sale Period) shall have the right, and all necessary easements in furtherance thereof, (but not the obligation) to take whatever action or actions it deems desirable to so maintain, decorate, repair or replace the Unit, its appurtenances or any of its Limited Common Elements, all at the expense of the Co-Owner of the Unit. Failure of the Association (or the Developer) to take any such action shall not be deemed a waiver of the Association's (or the Developer's) right to take any

such action at a future time. All costs incurred by the Association or the Developer in performing any responsibilities which are required, in the first instance to be borne by any Co-Owner, shall be assessed against such Co-Owner and shall be due and payable with his monthly assessment next falling due; further, the lien for non-payment shall attach as in all cases of regular assessments and such assessments may be enforced by the use of all means available to the Association under the Condominium Documents and by law for the collection of regular assessments including, without limitation, legal action, foreclosure of the lien securing payment and imposition of fines.

**Section 7. TELECOMMUNICATIONS AGREEMENTS.** The Association, acting through its duly constituted Board of Directors, shall have the power to grant such easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscribed service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easements, license or right of entry or do any other act or thing which will violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing same or sharing periodic subscriber service fees, shall be receipts affecting the administration of the condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

## ARTICLE X

### AMENDMENT

This Master Deed and the Condominium Subdivision Plan may be amended with the consent of 66-2/3% of the Co-Owners, except as hereinafter set forth:

**Section 1. MODIFICATION OF UNITS OR COMMON ELEMENTS.** No Unit dimension may be modified in any material way without the consent of the Co-Owner or mortgagee of such Unit nor may the nature or extent of Limited Common Elements or the responsibility for maintenance, repair or replacement thereof be modified in any material way without the written consent of the Co-Owner and mortgagee of any Unit to which the same are appurtenant, except as

otherwise expressly provided in this Master Deed or in the Bylaws to the contrary.

Section 2. MORTGAGEE CONSENT. Whenever a proposed amendment would materially alter or change the rights of mortgagees generally, then such amendments shall require the approval of 66-2/3% of all first mortgagees or record allocating one vote for each mortgage held.

Section 3. BY DEVELOPER. Prior to one (1) year after expiration of the Construction and Sales Period, the Developer may, without the consent of any Co-Owner or any other person, amend this Master Deed and the Condominium Subdivision Plan attached as Exhibit B in order to correct survey or other errors made in such documents and to make such other amendments to such instruments and to the Bylaws attached hereto as Exhibit A as do not materially affect any rights of any Co-Owners or mortgagees in the Project. The effect of modifications and amendments made for the benefit of all mortgage lenders generally to satisfy any primary or secondary institutional mortgage lender shall be presumed to be of immaterially diminishing impact on such rights.

Section 4. CHANGE IN PERCENTAGE VALUE. The value of the vote of any Co-Owner and the corresponding proportion of common expenses assessed against such Co-Owner shall not be modified without the written consent of such Co-Owner and his mortgagee, nor shall the percentage of value assigned to any Unit be modified without like consent, except as provided in this Master Deed or in the Bylaws.

Section 5. TERMINATION, VACATION, REVOCATION OR ABANDONMENT. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of not less than 80% of the Co-Owners.

Section 6. DEVELOPER APPROVAL. During the Construction and Sales Period, no amendment to this Master Deed or the other Condominium Documents shall be effective without the written consent of the Developer.

## ARTICLE XI

### ASSIGNMENT

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the power to approve or disapprove any act, use or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer

L126266PA041

shall be made by appropriate instrument in writing duly recorded in the office of the Wayne County Register of Deeds.

IN WITNESS WHEREOF, the undersigned has executed this Final Consolidating Master Deed of Blue Heron Pointe Condominium as of the day and year first above written.

BLUE HERON POINTE, INC., a Michigan corporation

By:

Dennis A. Park, President

By:

Earl J. LaFaye, Secretary/Treasurer

STATE OF MICHIGAN )  
COUNTY OF Wayne ) SS.

The foregoing instrument was acknowledged before me this 29 day of October, 1992, by Dennis A. Park, the President of Blue Heron Pointe, Inc., and Earl J. LaFaye, the Secretary/Treasurer of Blue Heron Pointe, Inc., a Michigan corporation, on behalf of the corporation.

*Lawrence Kilgore* Acting in  
Notary Public Oakland County, MI  
My commission expires: 1/24/96

This instrument was prepared by,  
and when recorded return to:

Lawrence A. Kilgore  
Evans & Luptak  
31731 Northwestern Highway  
Suite 201E  
Farmington Hills, MI 48334

## EXHIBIT A

BLUE HERON POINTE CONDOMINIUM  
BYLAWS

## ARTICLE I

## ASSOCIATION OF CO-OWNERS

BLUE HERON POINTE CONDOMINIUM, a residential Condominium Project located in the Township of Northville, Wayne County, Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association," organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Condominium Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Association 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 his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

## ARTICLE II

## ASSESSMENTS

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

Section 1. ASSESSMENTS FOR COMMON ELEMENTS. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums

received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54 (4) of the Act.

Section 2. DETERMINATION OF ASSESSMENTS. Assessments shall be determined in accordance with the following provisions:

(a) BUDGET. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Association of Co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of 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 delivery of 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. Should the Board of Directors at any time decide, 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 and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding \$1,500.00 annually for the entire Condominium Project, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 4 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

(b) SPECIAL ASSESSMENTS. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of a cost exceeding \$1,500.00 for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof, (3) assessments to purchase a Unit for use as a resident manager's Unit, or (4) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 2(a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than 60% of all Co-owners in number and in value. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof.

Section 3. APPORTIONMENT OF ASSESSMENTS AND PENALTY FOR DEFAULT. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 2 (a) above shall be payable by Co-owners in 12 equal monthly installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means.

The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. A late charge of \$25.00 per installment per month may be added to each installment in default for 5 or more days until each installment together with the applicable rate charges is paid in full. Each Co-owner (whether 1 or more persons) including a land contract vendee, shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessment levied up to and including the date upon which such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest

L126266PA045

charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 4. WAIVER OF USE OR ABANDONMENT OF UNIT. No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

Section 5. 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 his 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 also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon 7 days' written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. The Association may assess an automatic late charge, not to exceed \$25.00 for each month that a maintenance assessment remains delinquent. Maintenance assessments shall be deemed to be delinquent if not paid within 30 days after they become due. Additionally, the Association may assess additional fines for chronic late payment or non-payment of assessments in accordance with the provisions of Article XIX, Section 4 of these Bylaws. 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 Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized

and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

(c) NOTICE OF ACTION. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, a written notice that 1 or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within 20 days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney's fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in the county in which the Project is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the 10-day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

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

Section 6. LIABILITY OF MORTGAGE. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by

deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit).

**Section 7. DEVELOPER'S RESPONSIBILITY FOR ASSESSMENTS.** The Developer of the Condominium, even though a member of the Association, shall not be responsible for payment of the monthly Association assessment. The Developer, however, shall at all times pay all expenses of maintaining the Units that it owns, including the dwelling, and other improvements located thereon, together with a proportionate share of all current expenses of administration actually incurred by the Association from time to time, except expenses related to maintenance and use of the Units in the Project and of the dwellings and other improvements constructed within or appurtenant to the Units that are not owned by Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses shall be based upon the ratio of all Units owned by Developer at the time the expense is incurred to the total number of Units then in the Condominium. Such current expenses shall be limited to liability insurance premiums (but not hazard insurance premiums), road maintenance costs (snow plowing and cleaning), landscaping of General Common Elements and bookkeeping expenses. In no event shall Developer be responsible for payment of any assessment for deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to Units owned by it on which a completed residential dwelling is located. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs. A "completed residential dwelling" shall mean a dwelling with respect to which a certificate of occupancy has been issued by the Township of Northville.

**Section 8. 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 9. PERSONAL PROPERTY TAX ASSESSMENT OF ASSOCIATION PROPERTY.** 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 10. MECHANIC'S LIEN.** A mechanic's 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.

**Section 11. STATEMENT AS TO UNPAID ASSESSMENTS.** The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether

regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least 5 days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

### ARTICLE III

#### 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 questions 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 IV

## INSURANCE

Section 1. EXTENT OF COVERAGE. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workers compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium, and certain other portions of the Condominium as set forth below, and such insurance, other than title 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 interest may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-Owners. Each Co-Owner shall obtain insurance coverage at his own expense for the interior of the dwelling within his Unit. It shall be each Co-Owner's responsibility to determine by personal investigation or from his own insurance adviser the nature and extent of insurance coverage adequate to his needs and thereafter to obtain insurance coverage for his personal property and any additional fixtures, equipment and trim (as referred to in Subsection (b) below) located in the interior of the dwelling within his Unit or elsewhere on the Condominium and for his personal liability for occurrences within the dwelling within his Unit or upon Limited Common Elements appurtenant to his Unit and also for alternative living expense in the event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. Each Co-Owner shall file a copy of such insurance policy, or policies, including all endorsements thereon, or, in the Association's discretion, certificates of insurance or other satisfactory evidence of insurance, with the Association in order that the Association may be assured that such insurance coverage is in effect. The Association, as to all policies which it obtains, and all Co-Owners, as to all policies which they obtain, shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-Owner or the Association.

(b) INSURANCE OF DWELLING STRUCTURES, COMMON ELEMENTS AND FIXTURES. All dwelling structures within Units and 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 current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light

L126266 PA050

of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall be effected upon an agreed-amount basis for the entire Condominium with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total Project destruction if the insurance proceeds failed, for some reason, to be equal to the total cost of replacement). All information in the Association's records regarding insurance coverage shall be made available to all Co-Owners upon request and reasonable notice during normal business hours so that the Co-Owners shall be enabled to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly constituted meeting, to change the nature and extent of any applicable coverages, if so determined. Upon such annual re-evaluation and effectuation of coverage, the Association shall notify all Co-Owners of the nature and extent of all changes in coverages. Such coverage shall also include interior walls within any dwelling and the pipes, wires, conduits and ducts contained therein and shall further include all fixtures, equipment and trim within a dwelling which were furnished with the dwelling as standard items in accord with the plans and specifications thereof as are on file with the Township of Northville (or such replacements thereof as do not exceed the cost of such standard items). It shall be each Co-Owner's responsibility to determine the necessity for and to obtain insurance coverage for all fixtures, equipment, trim or other items or attachments within the dwelling or any Limited Common Elements appurtenant to the Co-Owner's Unit which were installed in addition to said standard items (or as replacements for such standard items to the extent that replacement costs exceeded the original costs of such standard items) whether installed originally by the Developer or subsequently by the Co-Owner, and the Association shall have no responsibility whatsoever for obtaining such coverage unless agreed specifically between the Association and the Co-Owner in writing; provided, however, that any such agreement between the Association and the Co-Owner shall provide that any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-Owner and collected as part of the assessments against said Co-Owner under Article II hereof.

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

(d) PROCEEDS OF INSURANCE POLICIES. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Co-Owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received

L126266PA051

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 repair, replacement or the 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 his true and lawful attorney in fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workers' compensation insurance, if applicable, pertinent to the Condominium, his Unit and the Common Elements appurtenant thereto with such insurer as may, from time to time, 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-Owners and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

## ARTICLE V

### RECONSTRUCTION OR REPAIR

Section 1. DETERMINATION TO RECONSTRUCT OR REPAIR. In the event any part of the Condominium property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) ONE OR MORE UNITS TENANTABLE. In the event the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by a unanimous vote of all of the Co-Owners in the Condominium that the Condominium shall be terminated and each institutional holder of a first mortgage lien on any Unit in the Condominium has given its prior written approval for such termination.

(b) NO UNIT TENANTABLE. In the event the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless eighty (80%) percent or more of all of the Co-Owners agree to

L126266 PA052

reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. REPAIR IN ACCORDANCE WITH MASTER DEED. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the original plans and specifications for any damaged improvements located within the Units unless the Co-Owners shall unanimously decide otherwise.

Section 3. ASSOCIATION RESPONSIBILITY FOR REPAIR. Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before 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 payment of the cost thereof are insufficient, assessment shall be made against all Co-Owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

L126266PA053

Section 4. TIMELY RECONSTRUCTION AND REPAIR. If damage to the Condominium Premises adversely affects the appearance of the Project, the Association shall proceed with replacement of the damaged property without delay.

Section 5. EMINENT DOMAIN. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

(a) TAKING OF UNIT OR IMPROVEMENTS THEREON. In the event of any taking of all or any portion of a Unit or any improvements thereon by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear, notwithstanding any provision of the Act to the contrary. If a Co-owner's entire Unit is taken by eminent domain, such Co-owner and his mortgagee shall, after acceptance of the condemnation award therefor, be divested of all interest in the Condominium Project.

(b) TAKING OF COMMON ELEMENTS. If there is any taking of any portion of the General Common Elements, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than 50% of the Co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) CONTINUATION OF CONDOMINIUM AFTER TAKING. In the event that Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner. Costs incurred to accomplish matters required by this subsection shall be borne by the Association.

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

Section 6. NOTIFICATION OF FHLMC. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefor by FHLMC, the

Association shall give it 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 if the loss or taking exceeds \$10,000.00 in amount or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00.

Section 7. PRIORITY OF MORTGAGEE INTERESTS. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit Owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

## ARTICLE VI

### RESTRICTIONS

All of the Units in the Condominium shall be held, used and enjoyed subject to the following limitations and restrictions:

Section 1. RESIDENTIAL USE. No Unit in the Condominium shall be used for other than single-family residence purposes and the Common Elements shall be used only for purposes consistent with the use of single-family residences. Neither the Units nor the Common Elements shall be used in violation of applicable zoning and other ordinances of the Township of Northville or in violation of other pertinent laws and/or public regulations.

### Section 2. LEASING AND RENTAL.

(a) RIGHT TO LEASE. A Co-owner may lease his Unit for the same purposes set forth in Section 1 of this Article VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b) below. With the exception of a lender in possession of a Unit following a default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium and no tenant shall be permitted to occupy except under a lease the initial term of which is at least 6 months unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in its discretion.

(b) LEASING PROCEDURES. The leasing of Units in the Project shall conform to the following provisions:

(1) A Co-owner, including the Developer, desiring to rent

426266 PA055

or lease a Unit, shall disclose that fact in writing to the Association at least 10 days before presenting a lease form to a potential lessee of the Unit and, at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. If Developer desires to rent Units before the Transitional Control Date, it shall notify either the Advisory Committee or each Co-owner in writing.

- (2) Tenants or nonco-owner occupants shall comply with all of the conditions of the Condominium Documents of the Condominium Project and all leases and rental agreements shall so state.
- (3) If the Association determines that the tenant or nonco-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 15 days 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 15 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or nonco-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or nonco-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 Project.
- (4) 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.

Section 3. ARCHITECTURAL CONTROL. No dwelling, structure or other improvement shall be constructed within a Condominium Unit or elsewhere within the Condominium Project, nor shall any exterior modification be made to any existing dwelling, structure or improvement, unless plans and specifications therefor, containing such detail as the Developer may reasonably request, have first been approved in writing by the Developer. Construction of any dwelling or other improvements must also receive any necessary approvals from the Township of Northville. Developer shall have the right to refuse to approve any such plans or specifications, or grading or landscaping plans, which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to be constructed and the degree of harmony thereof with the Condominium as a whole. Developer may also, in its discretion, require as a condition of approval of any plans, an agreement for special assessment of increased maintenance charges from any Co-owner whose proposed dwelling and appurtenances and related improvements will cause the Association abnormal expenses in carrying out its responsibilities with respect thereto under the Master Deed. The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all Co-owners. Developer's rights under this Article VI, Section 3 may, in Developer's discretion, be assigned to the Association or other successor to Developer. Developer may construct any improvements upon the Condominium Premises that it may, in its sole discretion, elect to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium Documents.

Section 4. ALTERATIONS AND MODIFICATIONS OF UNITS AND COMMON ELEMENTS. No Co-owner shall make alterations, modifications or changes in any of the Units or Common Elements, Limited or General, without the express written approval of the Board of Directors (and the Developer during the Construction and Sales Period), including, without limitation, the erection of antennas of any sort (including dish antennas), lights, aerials, awnings, newspaper holders, basketball backboards, mailboxes, flag poles or other exterior attachments or modifications. No attachment, appliance or other item may be installed which is designated to kill or repel insects or other animals by light or humanly audible sound. No Co-owner shall in any way restrict access to any utility line, or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way.

Section 5. ACTIVITIES. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, Limited or General, nor shall anything be done which may be

L126266PA057

or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time and disputes among Co-owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the Association. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his 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. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: Any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

Section 6. USE OF LAKE AND CANALS. The lake and adjoining canals are common elements restricted in use to members of the Association, their families and accompanied guests. Power boats other than those propelled by electric motors generating speeds of not greater than 5 m.p.h are prohibited. Boats and other water craft may only be docked at the designated docking areas.

Section 7. PETS. No animals, including household pets, shall be maintained by any Co-owner unless specifically approved in writing by the Association. No animal may be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be leashed and attended by some responsible person while on the Common Elements. No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefor. Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No dog which barks and can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the Board of Directors of the Association may assess fines

L126266PA058

for such violation in accordance with these Bylaws and in accordance with duly adopted Rules and Regulations.

Section 8. AESTHETICS. The Common Elements, Limited or General, shall not be sued for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Garage doors shall be kept closed at all times except as may be reasonably necessary to gain access to or from any garage. No unsightly condition shall be maintained on any patio, porch or deck and only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere 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 his Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 9. VEHICLES. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles, other than automobiles or vehicles used primarily for general personal transportation use, may be parked or stored upon the premises of the Condominium, unless parked in the garage with the door closed. No inoperable vehicles of any type may be brought or stored upon the Condominium Premises either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. Each Co-owner shall park his car in the garage space provided therefor and shall park any additional car which he owns in the Limited Common Element driveway area adjacent to his garage. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the Condominium Premises. Use of motorized vehicles anywhere on the Condominium Premises, other than passenger cars, authorized maintenance vehicles and commercial vehicles as provided in this Section 7, is absolutely prohibited. Overnight parking on any street in the Condominium is prohibited except as the Association may make reasonable exceptions thereto from time to time. The Association shall have the right to place or cause to be placed adhesive windshield stickers on cars improperly parked to to tow vehicles to off-premises locations, all without any liability on the part of the Association to the owners or users of any such improperly parked vehicles.

Section 10. ADVERTISING. No signs or other advertising devices of any kind shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, without written permission from the Association and, during the Construction and Sales Period, from the Developer.

L126266 PA059

Section 11. RULES AND REGULATIONS. It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners.

Section 12. RIGHT OF ACCESS OF ASSOCIATION. The Association or its duly authorized agents shall have access to each Unit, improvements constructed thereon and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit, improvements constructed thereon 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; provided, however, that the Association and its agents shall be entitled to enter a dwelling only in the event of circumstances which are life endangering or which threaten substantial damage to property. The Association may gain any required access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his Unit, improvements thereon and any Limited Common Elements appurtenant thereto caused thereby.

Section 13. LANDSCAPING. No Co-owner shall perform any landscaping or plant any trees, shrubs, or flowers or place any ornamental materials upon the Common Elements without the prior written approval of the Association.

Section 14. COMMON ELEMENT MAINTENANCE. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, shall not be obstructed nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions may be left unattended on or about the Common Elements.

Section 15. CO-OWNER MAINTENANCE. Each Co-owner shall maintain his Unit, the improvements thereon, and any Limited Common Elements appurtenant thereto for which he 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 him, or his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

#### Section 16. RESERVED RIGHTS OF DEVELOPER.

(a) PRIOR APPROVAL BY DEVELOPER. During the Construction and Sales Period, no buildings, fences, walls, retaining walls, drives, walks or other structures or improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alteration to any structure be made (including in color or design), except interior alterations which do not affect structural elements of any Unit, nor shall any hedges, trees or substantial plantings or landscaping modifications be made, until plans and specifications, acceptable to the Developer, showing the nature, kind, shape, height, materials, color, scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by Developer, its successors or assigns, and a copy of said plans and specifications, as finally approved, lodged permanently with Developer. Developer shall have the right to refuse to approve any such plan or specifications, or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reasons, and in passing upon such plans, specifications, grading or landscaping, it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to effect the same, and the degree of harmony thereof with the Condominium as a whole and any adjoining properties under development or proposed to be developed by Developer. The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all Co-owners.

(b) DEVELOPER'S RIGHTS IN FURTHERANCE OF DEVELOPMENT AND SALES. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Construction and Sales Period or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas and reasonable

L126266PA061

parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by Developer, and may continue to do so during the entire Construction and Sales Period. Developer shall restore the areas so utilized to habitable status upon termination of use.

(c) ENFORCEMENT OF BYLAWS. The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws throughout the Construction and Sales Period notwithstanding that it may no longer own a Unit in the Condominium which right of enforcement may include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

## ARTICLE VII

### MORTGAGES

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

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

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

## ARTICLE VIII

## VOTING

Section 1. VOTE. Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Condominium Unit owned.

Section 2. ELIGIBILITY TO VOTE. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members and shall be entitled to vote during such period notwithstanding the fact that the Developer may own no Units at some time or from time to time during such period. The Developer shall be entitled to one vote for each Unit which it owns.

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.

Section 4. QUORUM. The presence in person or by proxy of 35% of the Co-owners in number and in value qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 5. VOTING. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at

L126266PA063

or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 6. MAJORITY. A majority, except where otherwise provided herein, shall consist of more than 50% in value of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

## 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 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 Sturgis' Code of Parliamentary Procedure, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

Section 2. FIRST ANNUAL MEETING. The First Annual Meeting of members of the Association may be convened only by Developer and may be called at any time after more than 50% in number of the Units in Blue Heron Pointe Condominium determined with reference to the recorded Consolidating Master Deed have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to non-developer Co-owners of 75% in number of all Units that may be created or 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, whichever first occurs. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least 10 days' written notice thereof shall be given to each Co-owner. The phrase "Units that may be created" as used in this paragraph and elsewhere in the Condominium Documents refers to the maximum number of Units which the Developer is permitted, under the Condominium Documents as may be amended, to include in the Condominium.

Section 3. ANNUAL MEETINGS. Annual meetings of members of the Association shall be held on the Second Tuesday of April each succeeding year after the year in which the First Annual Meeting is held at such time and place as shall be determined by the Board of

L126266PA064

Directors; provided, however, that the second annual meeting shall not be held sooner than 8 months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. SPECIAL MEETINGS. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by 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 5. NOTICE OF MEETINGS. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Co-owner of record, at least 10 days but not more than 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 to be filed with the Association by Article VIII, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association shall be deemed due notice.

Section 6. ADJOURNMENT. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

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

Section 8. ACTION WITHOUT MEETING. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in

L26266PA065

Section 5 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 approvals which equals or exceeds the number of votes 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 9. CONSENT OF ABSENTEES. The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum be present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. MINUTES, PRESUMPTION OF NOTICE. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be *prima facie* evidence that such notice was given.

## ARTICLE X

### ADVISORY COMMITTEE

Within 1 year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within 120 days after conveyance to purchasers of 1/3 of the total number of Units that may be created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least 3 non-Developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that, if more than 50% in number and in value of the non-Developer Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the non-developer Co-owners and to aid the transition of control of the Association from the Developer to purchaser Co-owners. The Advisory Committee shall cease to exist automatically when the non-developer Co-owners have the voting strength to elect a majority of the Board of

Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

## ARTICLE XI

### BOARD OF DIRECTORS

Section 1. NUMBER AND QUALIFICATION OF DIRECTORS. The Board of Directors shall be comprised of 5 members in all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation.

#### Section 2. ELECTION OF DIRECTORS.

(a) FIRST BOARD OF DIRECTORS. The first Board of Directors shall be composed of 5 persons and such first Board of Directors or its successors as selected by the Developer shall manage the affairs of the Association until the appointment of the first non-developer Co-owners to the Board. Elections for non-developer Co-owner Directors shall be held as provided in subsections (b) and (c) below. The Directors shall hold office until their successors are elected and hold their first meeting.

(b) APPOINTMENT OF NON-DEVELOPER CO-OWNERS TO BOARD PRIOR TO FIRST ANNUAL MEETING. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 25% of the Units that may be created, 2 of the 5 Directors shall be selected by non-developer Co-owners. When the required percentage level of conveyance have been reached, the Developer shall notify the non-developer Co-owners and request that they hold a meeting and elect the required Director. Upon certification by the Co-owners to the Developer of the Director so elected, the Developer shall then immediately appoint such Director to the Board to serve until the First Annual Meeting of members unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

#### (c) ELECTION OF DIRECTORS AT AND AFTER FIRST ANNUAL MEETING.

(i) Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 75% of the Units that may be created, the non-developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least 1 Director as long as the Units that remain to be created and sold equal at least 10% of all Units that may be created in the Project. Whenever the 75% conveyance level is achieved, a meeting of Co-owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

(ii) Regardless of the percentage of Units which have been conveyed, upon the elapse of 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, the non-developer Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units which are owned by the Developer and for which maintenance expenses are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (i). Application of this subsection does not require a change in the size of the Board of Directors.

(iii) If the calculation of the percentage of members of the Board of Directors that the non-developer Co-owners have the right to elect under Subsection (ii), or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-developer Co-owners under subsection (b) results in a right of non-developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-developer Co-owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate 1 member as provided in subsection (i).

(iv) At the First Annual Meeting 3 Directors shall be elected for a term of 2 years and 2 Directors shall be elected for a term of 1 year. At such meeting all nominees shall stand for election as one slate and the 3 persons receiving the highest number of votes shall be elected for a term of 2 years and the 2 persons receiving the next highest number of votes shall be elected for a term of 1 year. At each annual meeting held thereafter, either 3 or 2 Directors shall be elected depending upon the number of Directors whose terms expire. After the First Annual Meeting, the term of office (except for 1 of the Directors elected at the First Annual Meeting) of each Director shall be 2

years. The Directors shall hold office until their successors have been elected and hold their first meeting.

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

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 as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners.

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 Project and the Common Elements thereof.

(b) To levy and collect assessments 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 General Common Elements 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 Project.

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

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of 75% of all of the members of the Association in number and in value.

(h) To make rules and regulations in accordance with Article VI, Section 10 of these Bylaws.

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

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

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

Section 6. VACANCIES. Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a Director by 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, except that the Developer shall be solely entitled to fill the vacancy of any Director whom it is permitted in the first instance to designate. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. Vacancies among non-developer co-owner elected Directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Co-owners and shall be filled in the manner specified in Section 2(b) of this Article.

Section 7. REMOVAL. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than 50% of all of the Co-owners and a successor may then be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal 35% requirement set forth in Article VIII, Section 4. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the

L126266PA070

meeting. The Developer may remove and replace any or all of the Directors selected by it at any time or from time to time in its sole discretion. Likewise, any Director selected by the non-developer Co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

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

Section 9. REGULAR MEETINGS. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, telephone or telegraph at least 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 5 days' notice to each Director, given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written require of two Directors.

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

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

quorum.

Section 13. FIRST BOARD OF DIRECTORS. The actions of the first Board of Directors of the Association or any successors thereto selected or elected before the transitional Control Date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium Documents.

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

## ARTICLE XII

### OFFICERS

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

(a) PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem 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 his 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 do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him 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; he shall have charge of the corporate seal, if any, and of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of the Secretary.

L126266PA072

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

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

Section 3. REMOVAL. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board 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 who is proposed to be removed shall be given an opportunity to be heard at the meeting.

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

#### ARTICLE XIII

##### SEAL

The Association may (but need not) have a seal. If the Board determines that the Association shall have a seal, then it shall have inscribed thereon the name of the Association, the words "corporate seal" and "Michigan".

#### ARTICLE XIV

##### FINANCE

Section 1. RECORDS. The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit

L126266PA073

need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within 90 days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

Section 2. FISCAL YEAR. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the Directors 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 Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

## ARTICLE XV

### INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every Director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a Director or officer of the Association, whether or not he is 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 his 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 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 XVI

### AMENDMENTS

Section 1. PROPOSAL. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by 1/3 or more in number of the Co-owners by instrument in writing signed by them.

Section 2. MEETING. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

Section 3. VOTING. These Bylaws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than 66-2/3% of all Co-owners in number and in value. No consent of mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of 66-2/3% of mortgagees shall be required with each mortgagee to have one vote for each mortgage held.

Section 4. BY DEVELOPER. Prior to the Transitional Control Date, these Bylaws may be amended by the Developer without approval from any other person so long as any such amendment does not materially alter or change the right of a Co-owner or mortgagee.

Section 5. WHEN EFFECTIVE. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Wayne County Register of Deeds.

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

## ARTICLE XVII

### COMPLIANCE

The Association of Co-owners and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the facilities of the Project in any manner are subject to an 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 Premises shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern.

L126266PA075

## ARTICLE XVIII

### DEFINITIONS

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 XIX

### REMEDIES FOR DEFAULT

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

Section 1. LEGAL ACTION. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

Section 2. RECOVERY OF COSTS. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court, but in no event shall any Co-owner be entitled to recover such attorneys' fees.

Section 3. REMOVAL AND ABATEMENT. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights 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. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

Section 4. ASSESSMENT OF FINES. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations in accordance with Article XX of these Bylaws.

Section 5. NON-WAIVER OF RIGHT. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision,

L126266PA076

covenant or condition in the future.

Section 6. CUMULATIVE RIGHTS, REMEDIES AND PRIVILEGES. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 7. ENFORCEMENT OF PROVISIONS OF CONDOMINIUM DOCUMENTS. A Co-owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for non-compliance with the terms and provisions of the Condominium Documents or the Act.

## ARTICLE XX

### ASSESSMENT OF FINES

Section 1. GENERAL. The violation by any Co-owner, occupant or guest of any of the provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted through such Co-owner to the Condominium Premises.

Section 2. PROCEDURES. Upon any such violation being alleged by the Board, the following procedures will be followed:

(a) NOTICE. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Article VIII, Section 3 of these Bylaws.

(b) OPPORTUNITY TO DEFEND. The offending Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting, but in no event shall the Co-owner be required to appear less than 10 days from

U26266PA077

the date of the notice.

(c) DEFAULT. Failure to respond to the notice of violation constitutes a default.

(d) HEARING AND DECISION. Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or, in the event of the Co-owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

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

(a) FIRST VIOLATION. No fine shall be levied.

(b) SECOND VIOLATION. Twenty-Five Dollar (\$25.00) fine.

(c) THIRD VIOLATION. Fifty Dollar (\$50.00) fine.

(d) FOURTH, VIOLATION AND SUBSEQUENT VIOLATIONS. One Hundred Dollar (\$100.00) fine.

Section 4. CONTINUING VIOLATIONS. In the event that a violation continues beyond 10 days from the date of the offending Co-owner's hearing at which the Board determines that a violation has occurred, the continuing violation will be treated as a separate and subsequent violation and new and increased fines may be levied on each occasion of any subsequent violation determination without the necessity of a further hearing or hearings thereon.

Section 5. COLLECTION. The fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be due and payable together with the regular Condominium assessment on the first of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitation, those described in Article II and Article XIX of the Bylaws.

## ARTICLE XXI

### RIGHTS RESERVED TO DEVELOPER

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

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

## ARTICLE XXII

### 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.

**WAYNE COUNTY CONDOMINIUM  
SUBDIVISION PLAN NO. 227  
EXHIBIT "B" TO THE MASTER DEED OF  
BLUE HERON POINTE CONDOMINIUM  
NORTHVILLE TOWNSHIP  
WAYNE COUNTY, MICHIGAN**

DEVELOPER

BLUE HERON POINTE, INC.  
30069 WOOD ROAD  
WOOD, MICHIGAN 48096  
PH. NO. 313-624-8110

DESCRIPTION

A PART OF THE E 1/2 OF SECTION 8, T 1 S, R 8 E, TOWNSHIP OF  
NORTHVILLE, WAYNE COUNTY, MICHIGAN, BEING MORE PARTICULARLY  
DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST 1/4 CORNER OF SECTION 8; THENCE  
S 00°57' 31" E 348.60 FEET ALONG THE EAST LINE OF SAID  
LINE ALSO BEING THE (NOMINAL) CENTERLINE OF BACK ROAD; THENCE  
S 86°48' 35" W 1224.61 FEET; THENCE N 01°24'.6" W 320.33 FEET;  
THENCE S 89°2.00" W 68.00 FEET; THENCE N 01°45' 45" W 350.64  
FEET; THENCE N 86°19' 52" E 658.89 FEET; THENCE N 01°16' 15" W  
210.05 FEET; THENCE N 81°25' 33" E 350.95 FEET; THENCE S 01°16' 04" E  
THE EAST LINE OF SECTION 8, SAID LINE ALSO BEING THE (NOMINAL)  
CENTERLINE OF BACK ROAD; THENCE S 00°66' 57" E 1840.97 FEET ALONG  
THE EAST LINE OF SECTION 8 TO THE POINT OF BEGINNING, CONTAINING  
67.25 ACRES AND BEING SUBJECT TO ALL EASEMENTS AND RIGHT OF  
WAYS OF RECORD.

PREPARED BY

JCK & ASSOCIATES, INC.  
45350 GRAND RIVER  
P. O. BOX 759  
NOV. MICHIGAN 48050  
PH. NO. 313-346-2880

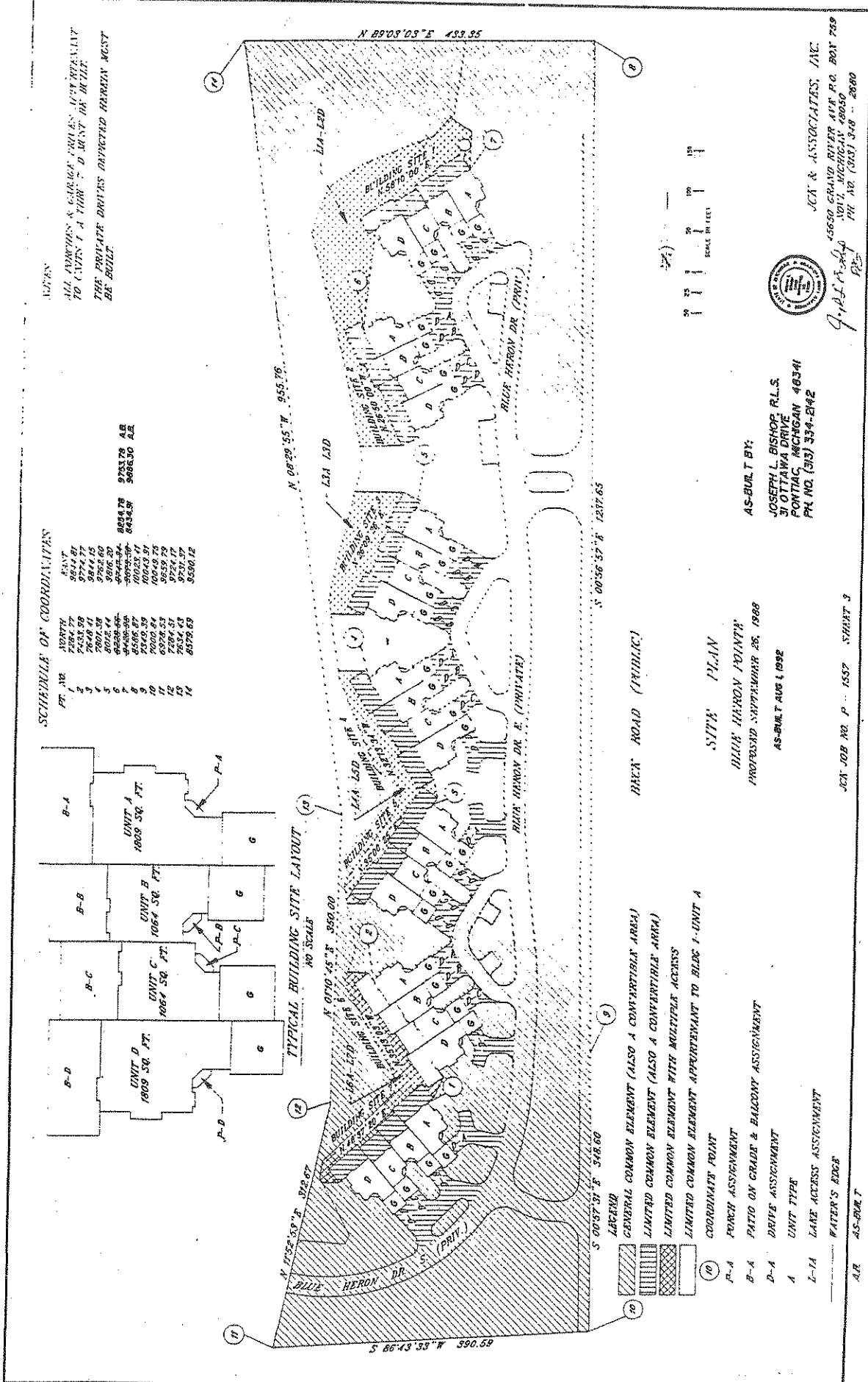
AS-BUILTS BY:  
JOSEPH L. BISHOP, R.L.S.  
31 OTTAWA DRIVE  
PONTIAC, MICHIGAN 48341  
PH. NO. 313-334-2142  
JOB NO. 92-102  
AUG. 1, 1992

SHEET INDEX

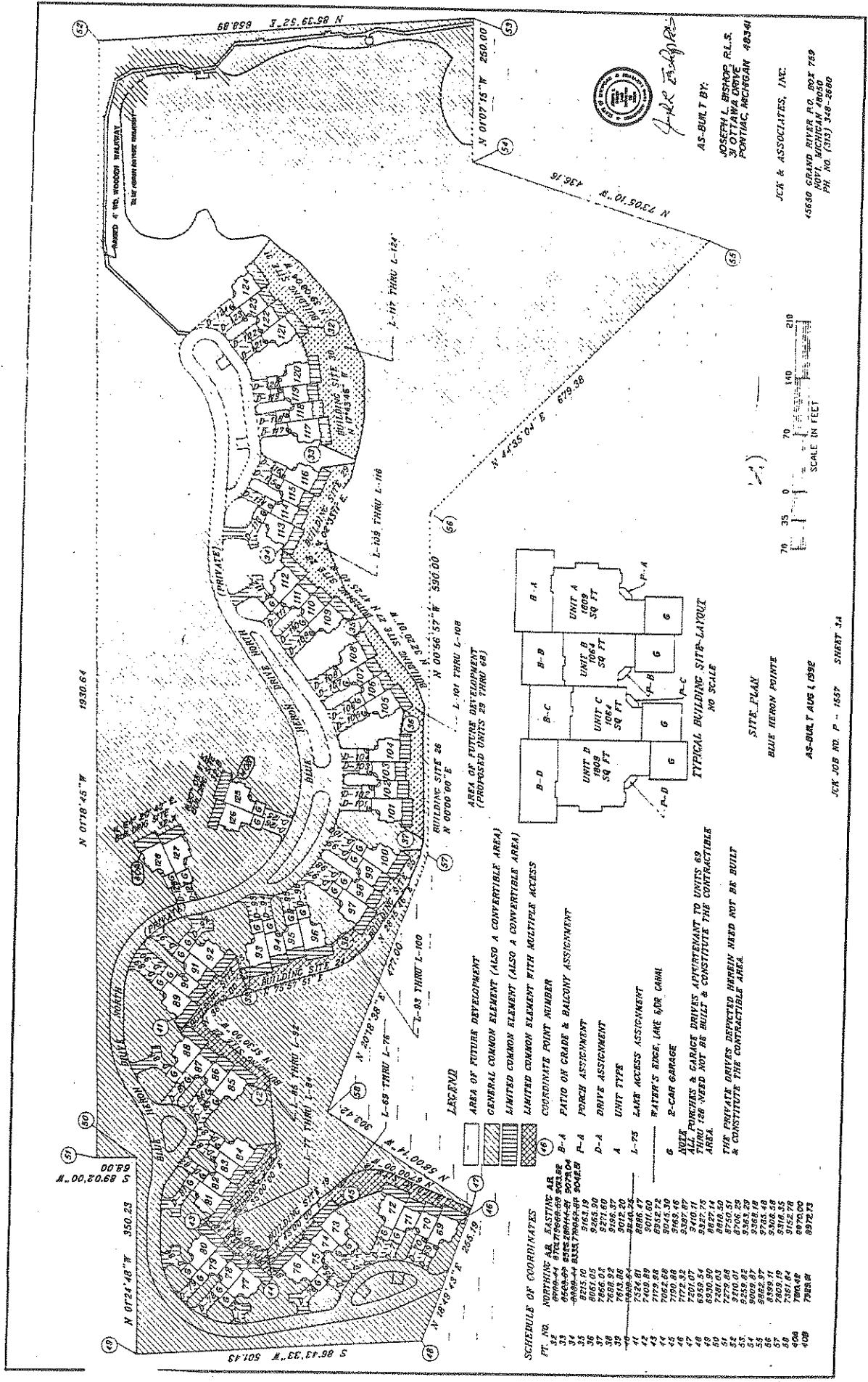
- 1. COVER SHEET
- 2. SURVEY PLAN
- 3. SITE PLAN
- 4. SITE PLAN
- 5. SITE PLAN
- 6. SITE PLAN
- 7. SITE PLAN
- 8. SITE PLAN
- 9. UTILITY PLAN
- 10. UTILITY PLAN
- 11. UTILITY PLAN
- 12. BUILDING FLOOR PLANS
- 13. FRONT/REAR ELEVATIONS
- 14. END ELEVATION

6201992967

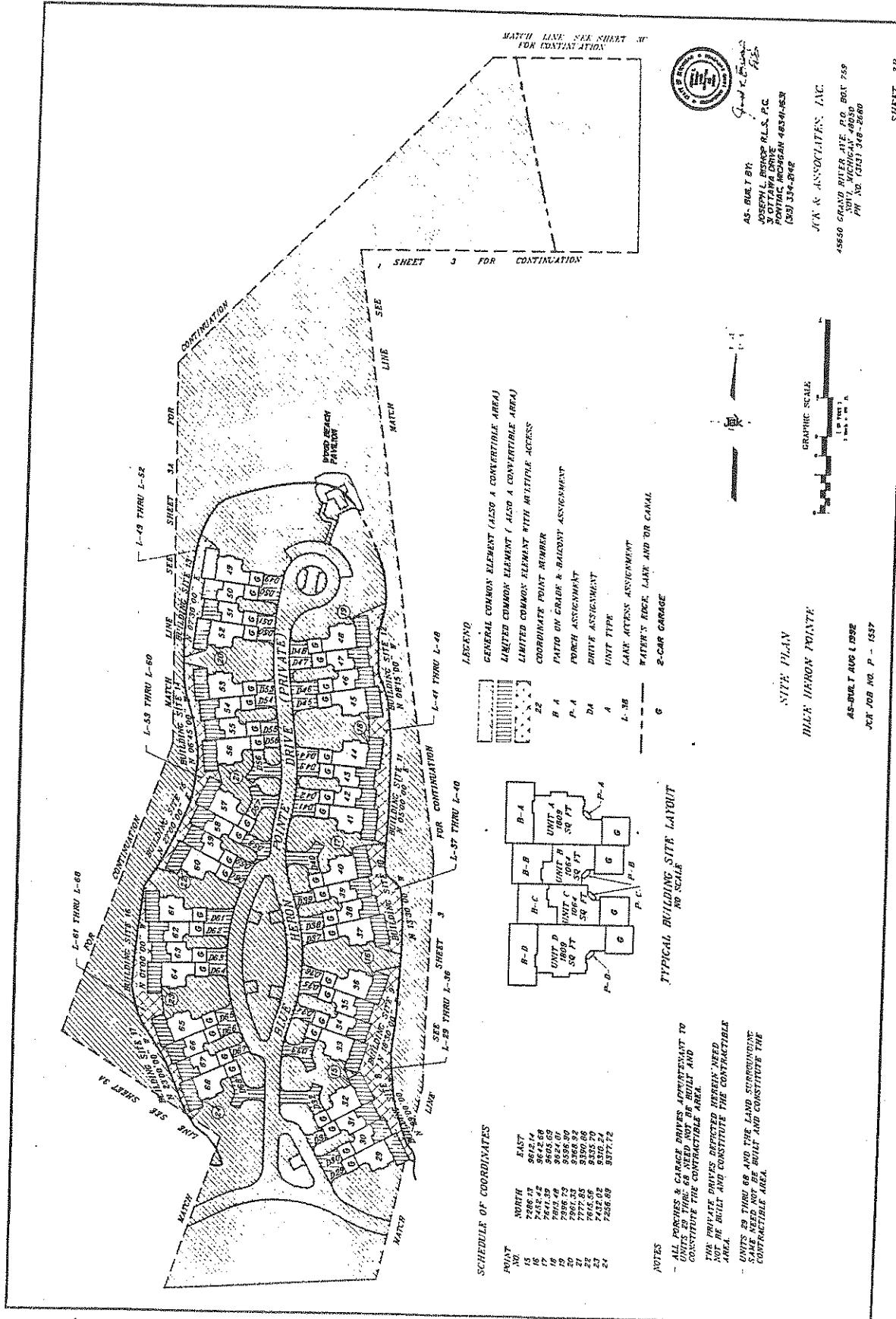




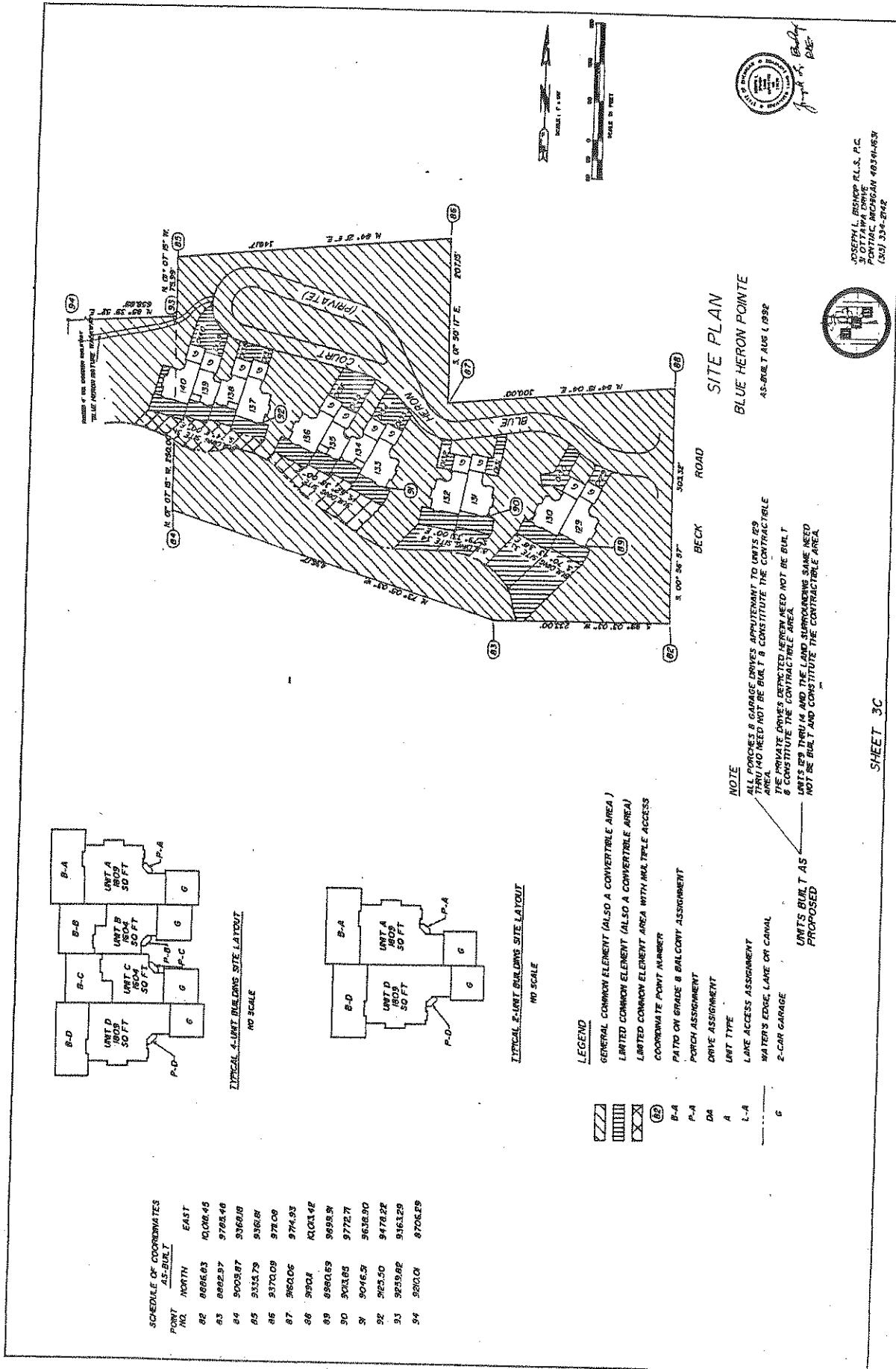
426266PAG81



L126266P1D82



126266M083



UTILITY SOURCE

NAME	SEX	AGE	WEIGHT	REASON
Mr. A.	M	50	150	Spouse
Mr. B.	M	50	150	Spouse
Mr. C.	M	50	150	Spouse
Mr. D.	M	50	150	Spouse
Mr. E.	M	50	150	Spouse
Mr. F.	M	50	150	Spouse
Mr. G.	M	50	150	Spouse
Mr. H.	M	50	150	Spouse
Mr. I.	M	50	150	Spouse
Mr. J.	M	50	150	Spouse
Mr. K.	M	50	150	Spouse
Mr. L.	M	50	150	Spouse
Mr. M.	M	50	150	Spouse
Mr. N.	M	50	150	Spouse
Mr. O.	M	50	150	Spouse
Mr. P.	M	50	150	Spouse
Mr. Q.	M	50	150	Spouse
Mr. R.	M	50	150	Spouse
Mr. S.	M	50	150	Spouse
Mr. T.	M	50	150	Spouse
Mr. U.	M	50	150	Spouse
Mr. V.	M	50	150	Spouse
Mr. W.	M	50	150	Spouse
Mr. X.	M	50	150	Spouse
Mr. Y.	M	50	150	Spouse
Mr. Z.	M	50	150	Spouse

This site plan illustrates Building Site 6, which contains several buildings labeled A through F. A major north-south road runs through the site. Two sets of utility lines are shown: a storm sewer system and a sanitary sewer system. The plan includes labels for 'PROPOSED 10" STORM SEWER' and 'PROPOSED 12" SANITARY'. A water main line is also indicated. A north arrow is present at the top left. A scale bar at the bottom right shows distances of 500', 300', and 200'.

*N 010° 45' E 350.00*

*S 86° 43' 33" W 380.59*

*500' 300' 200'*

*PROPOSED 10"*  
*STORM SEWER*  
*PROPOSED 12"*  
*SANITARY*  
*PROPOSED 8"*  
*WATER MAIN*

The map illustrates two building sites, Site 1 and Site 2, each containing several plots labeled A through F. The sites are connected by a road. A bridge is shown crossing a waterway, with the label "WATER MAIN" written vertically along its side. The word "PROPOSED" is written vertically near the top right corner of the map.

140.111

၁၃၅

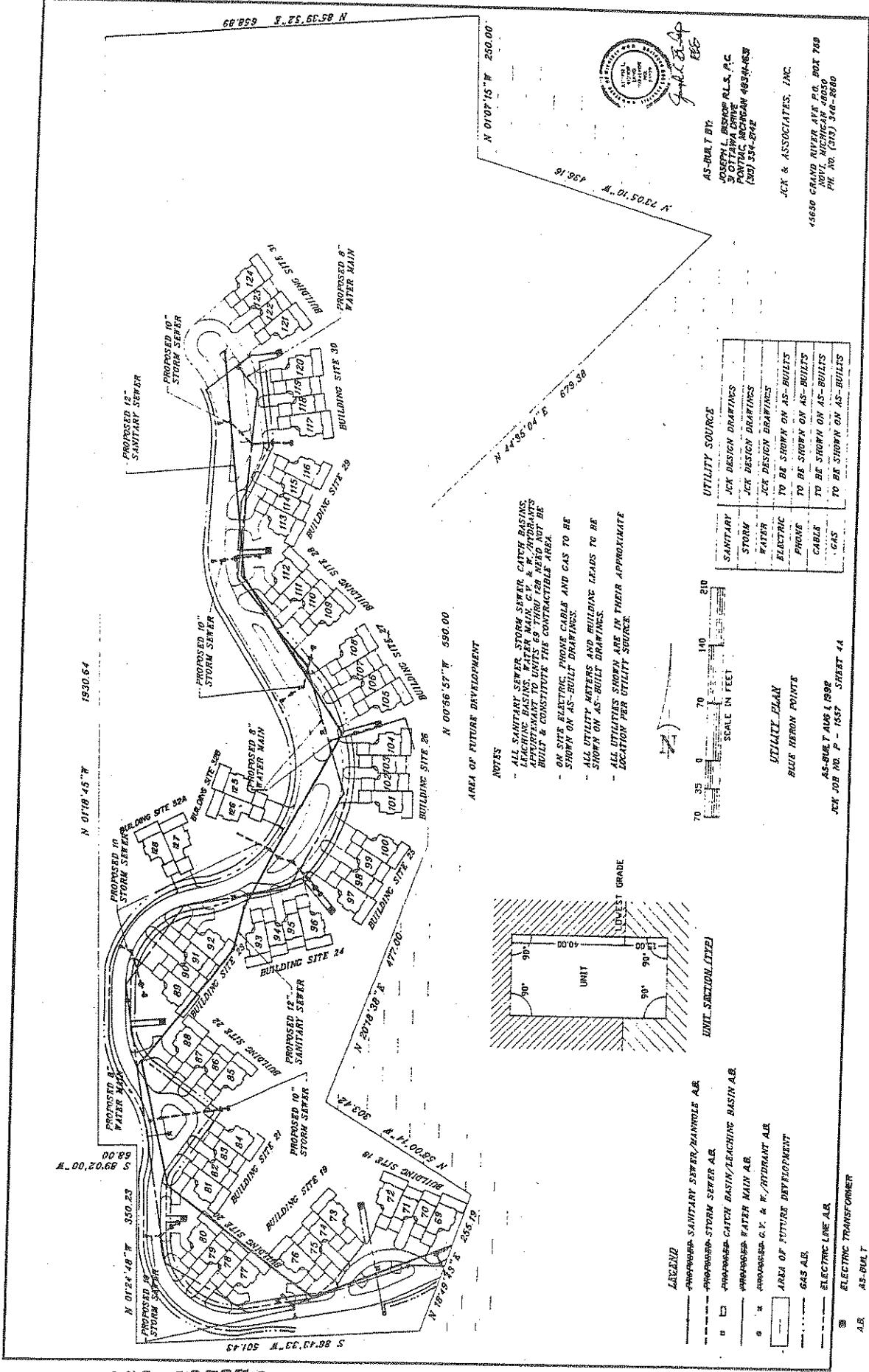
- 

122

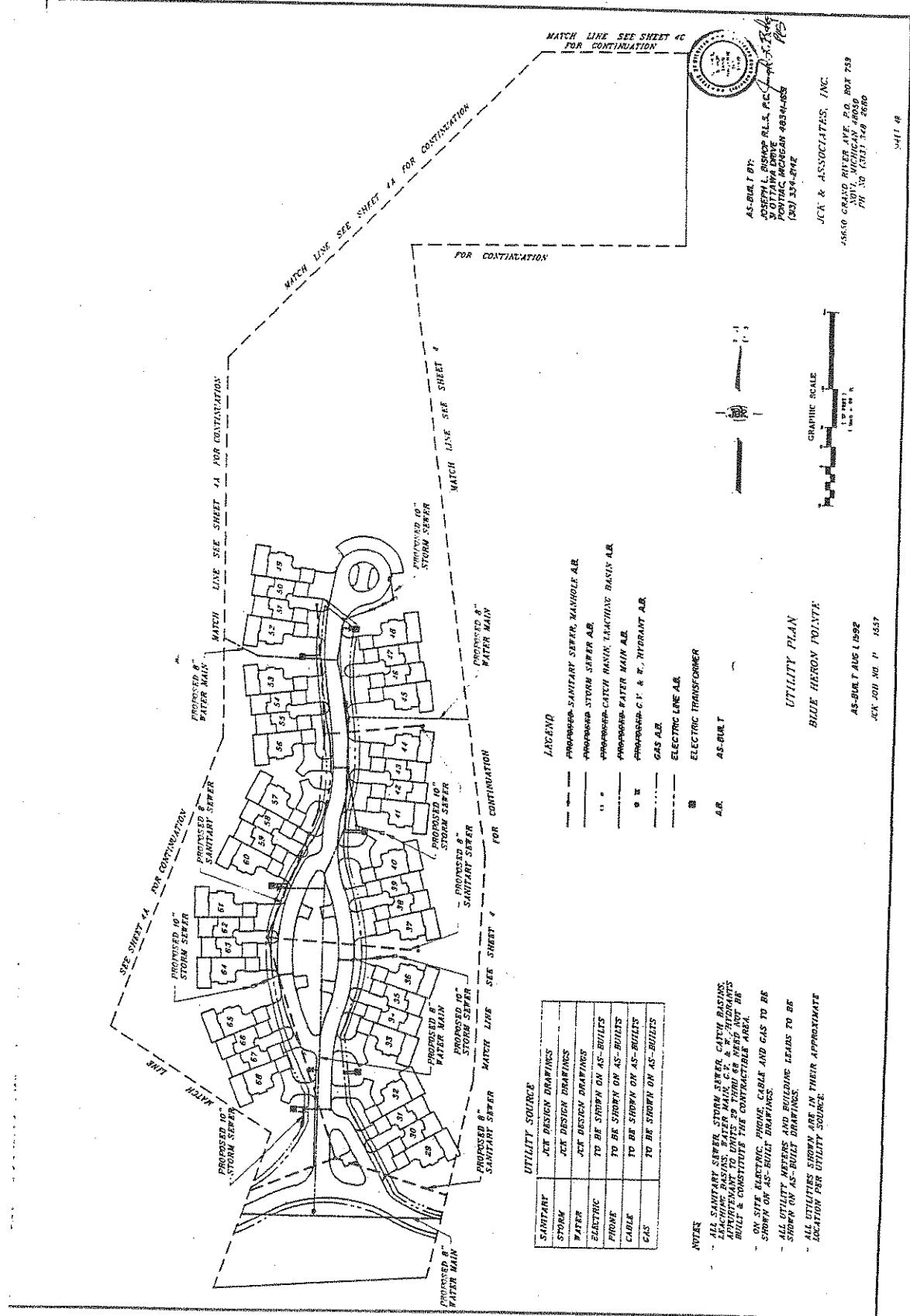
*ALL FURNITURE, MACHINERY, ETC.,  
OF THE NEW & MANY BLDGS. BUILT  
ON SITE, ELECTRIC, PHONE, CABLE, AND  
TO BE SHOWN ON AS BUILT DRAWINGS.*

4555 OCT. 17th: MC  
RIVER RD., R.D. 801 759  
PORT MICHIGAN 49060  
1/2 MILE S.E.  
3351 3352

98049929217

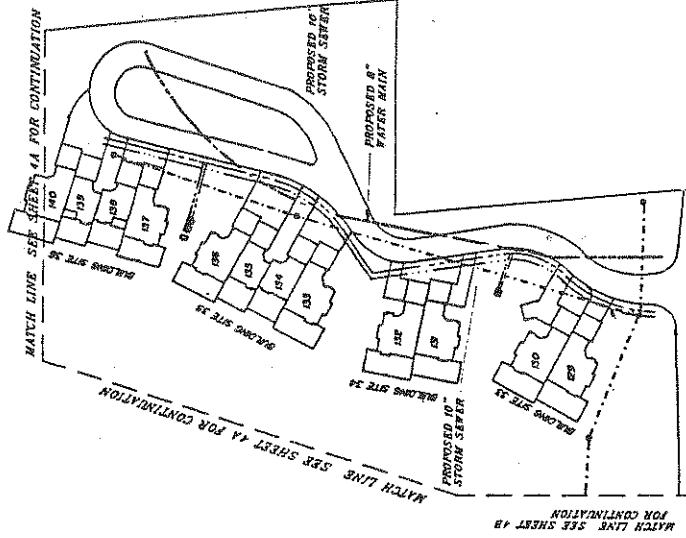


126299m66



**NOTES**

- ALL SANITARY SEWER, STORM SEWER, CATCH BASINS, LEACHING BASIN, WATER MAIN, G.V. & W.DRAWDOWNS APPERTAIN TO UNITS #2 THRU #10 NEED NOT BE BUILT & CONSTITUTE THE CONTRACTABLE AREA.
- ON SITE ELECTRIC, PHONE, CABLES AND GAS TO BE SHOWN ON AS-BUILT DRAWINGS.
- ALL UTILITY UNITS AND BUILDING LEADS TO BE SHOWN ON AS-BUILT DRAWINGS.
- ALL UTILITIES SHOWN ARE IN THEIR APPROPRIATE LOCATION FOR UTILITY SOURCE.



UTILITY SOURCE	
SANITARY	AS-BUILT DRAWINGS
STORM	AS-BUILT DRAWINGS
RATER	AS-BUILT DRAWINGS
ELECTRIC	TO BE SHOWN ON AS-BUILTS
PHONE	TO BE SHOWN ON AS-BUILTS
CAMP	TO BE SHOWN ON AS-BUILTS
GAS	TO BE SHOWN ON AS-BUILTS

LEGEND

— — — — —	PROPOSED SANITARY SEWER/MAINTAINABLE A.R.
— — — — —	PROPOSED STORM SEWER A.R.
— — — — —	PROPOSED CATCH BASIN/LEACHING BASIN A.R.
— — — — —	PROPOSED WATER MAIN A.R.
— — — — —	PROPOSED HYDRANT A.R.
— — — — —	GAS LINE A.R.
— — — — —	ELECTRIC LINE A.R.
■	ELECTRIC TRANSFORMER
A.R.	AS-BUILT

UTILITY PLAN  
BLUE HERON POINTE

AS-BLUE T AUG 1 1992  
JCK JOB NO. P 1557

JCK & ASSOCIATES, INC.  
15650 GRAND RIVER, AVE. P.O. BOX 759  
NO. 1, MICHIGAN 48050  
PH. NO. (313) 348-2660



SHEET 5

AS-BUILT BY:  
JOSEPH L. BISHOP R.L.S., P.C.  
30 OTTAWA DRIVE  
FERNDALE, MICHIGAN 48226-2142  
AUG. 1, 1992

SCALE: 1" = 1/8"

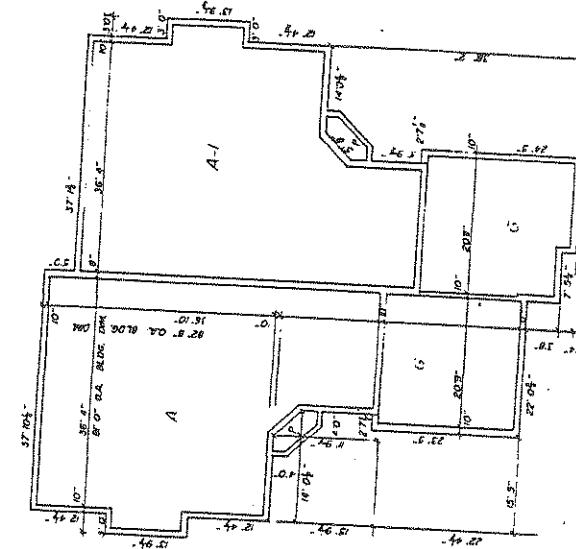
### BUILDING FLOOR PLANS

BLUE HERON POINTE

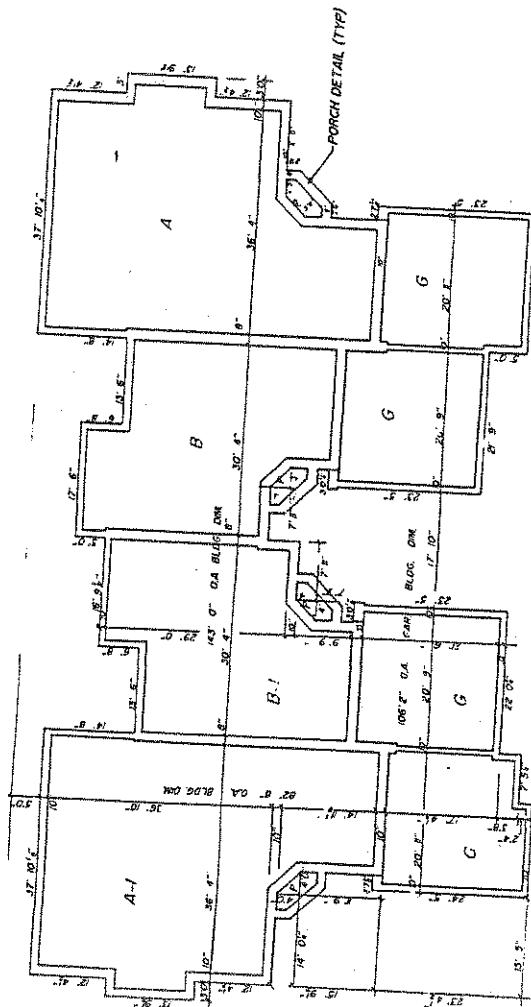
AS-BUILT AUG. 1, 1992

SCALE: 1" = 1/8"

### 2 UNIT BLDG



### 4 UNIT BLDG



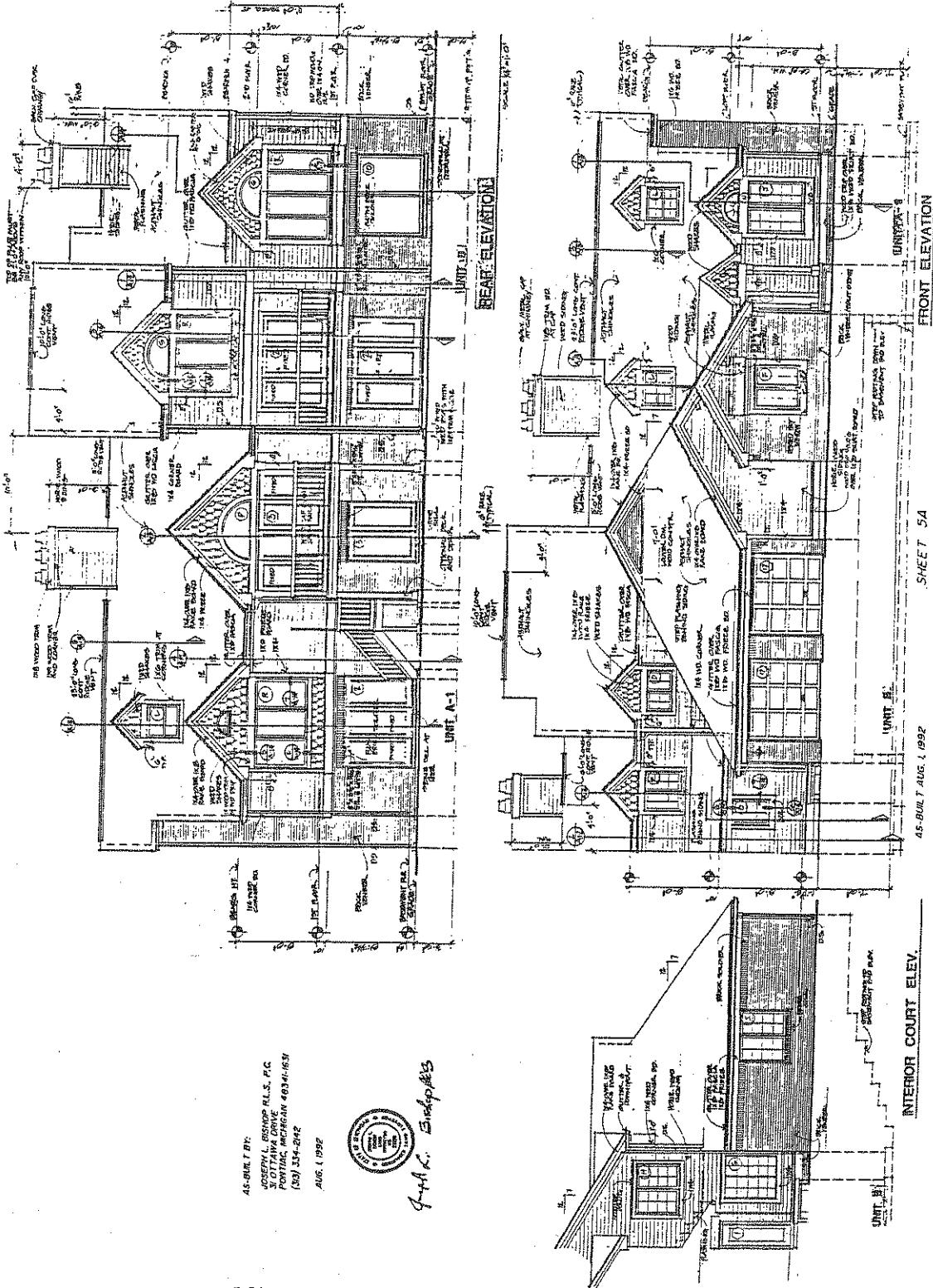
### LEGEND

- G 2-CAR GARAGE
- P COVERED PORCH
- A RANCH STYLE UNIT TYPE
- A-I RANCH STYLE UNIT TYPE (REVERSED)
- B 2-STORY UNIT TYPE
- B-I 2-STORY UNIT TYPE (REVERSED)

126266PA089

Collaborative  
Architectures  
for  
Component  
Architectures

**BLUEHERON-POINTE**  
A LAKE COMMUNITY  
NOTVILLETYPING MFG. CO.



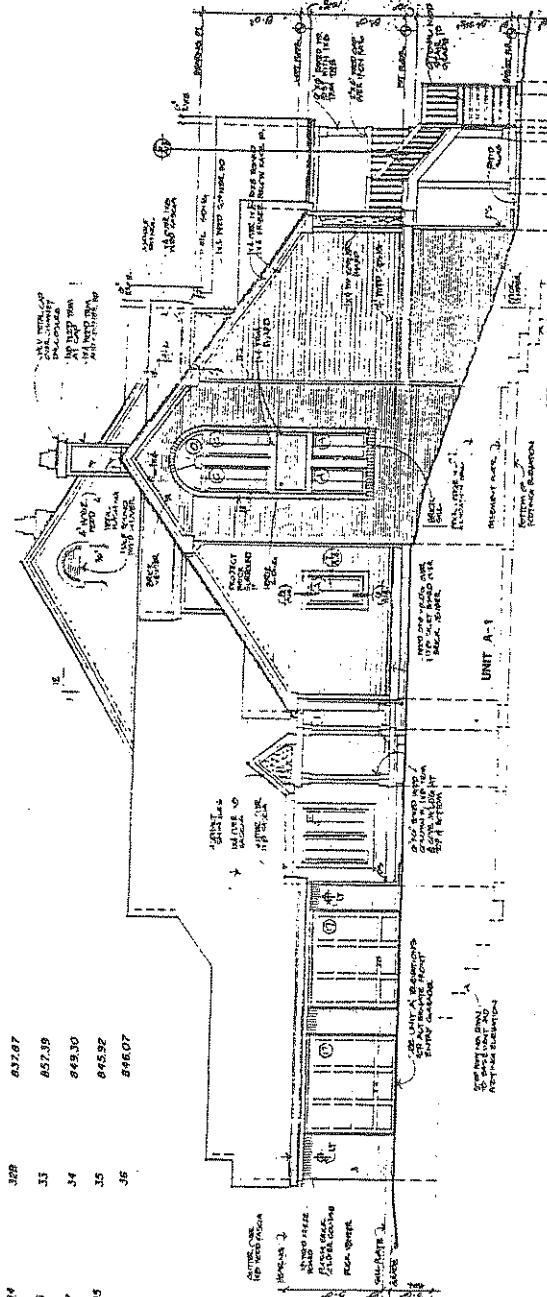
0604992921

BUILDING F, FL. ELEVATIONS (U.S.G.S. DATUM)

BLDG. NO.	E. FL. ELEV.	BLDG. NO.	E. FL. ELEV.
1	835.20	19	835.32
2	837.70	20	835.30
3	835.63	21	835.05
4	833.85	22	835.71
5	833.35	23	834.36
6	833.08	24	834.51
7	834.48	25	834.53
8	834.39	26	834.46
9	835.39	27	834.67
10	834.69	28	833.65
11	834.69	29	835.53
12	834.09	30	836.53
13	834.62	31	837.86
14	835.08	32A	838.02
15	834.94	32B	837.87
16	835.5	33	837.39
17	835.17	34	839.30
18	835.05	35	845.92
		36	846.07

AS-BURL BY:  
JOSEPH GRIEVE, P.L.S., P.C.  
3 OTTAWA DRIVE  
POINT LEEGAN, IRELAND A834 6E3  
(01) 334-2042  
AUG 1 1992

Joseph Grievs



SHEET 5B

AS-BURL AUG 1 1992

END ELEVATION

Aug 1 1992

## A GUIDE TO THE AMENDMENT PROPOSALS

For

### BLUE HERON POINTE

#### **GENERAL REVISIONS**

Your new text documents will all be letter size with an easily read font. All unnecessary references to the developer have been deleted. The new text is now gender neutral throughout. The text has been updated in keeping with revisions to the Condominium Act and other Michigan statutes. Changes in the laws involving the rights of the disabled and satellite dish antennas have been taken into account in the revised text. Any previous text considered illegal or unenforceable has also been deleted. The lengthy Condominium Bylaws document now includes a detailed topical Table of Contents with better organization. Overall, we have attempted to modernize and customize your documents to best suit the needs and desires of your membership and Association.

#### **ARTICLES OF INCOPORATION**

This document originally created your Association as a Michigan nonprofit corporation. We have verified the corporate identification number, good standing status, and correct information regarding registered office and resident agent information. Additionally, as permitted under current Michigan law, we have proposed new text to help shield the volunteer officers and directors from certain liabilities. Also, the text that fragmented the classes of membership and the budget process has been deleted along with the text about the board of directors. It need not be kept in this document. Please refer to the new Condominium Bylaws concerning the board and the budget topics.

BLUE HERON POINTE  
GUIDE TO REVISIONS  
August 6, 2005  
Page three

### Article V – Repairs

This text supplements, but does not contradict, the Master Deed concerning duties of maintenance, repair and replacement. Please review Sections 4 and 5 in particular. We have made a major change as regards “incidental damages”. We now define the term and cap the Association’s formerly unlimited liability exposure.

### Article VI – Restrictions

This Article tends to be of particular interest to most co-owners and should be carefully read and considered.

### Article VII – Mortgages

Nothing noteworthy (to most co-owners) appears here.

### Article VIII – Voting

- Please refer to new Article XIV regarding Amendments.
- To be able to vote you must own a unit, not be in default in payment of any amount owed to the Association and you must file a designated voting representative form with the Association.
- Votes can be cast in person, by proxy or by written ballot.

duties of maintenance,

major change as

### Article IX – Meetings

- Note the Annual Meeting month at Section 2 and quorum requirement at Section 5.

### Article X – Board of Directors

- Section 1 sets forth new eligibility requirements for director candidates.
- The vast majority of the decisions involving the Association are made by the directors not the co-owners, as per the past.
- Please review the directors’ powers and duties at Section 3.
- Please note that co-owners have no legal right to attend board meetings but may do so with the Board’s permission.
- Co-owners elect directors; directors appoint persons to fill vacancies except in recall.

### Article XI – Officers

- The officers are described in this Article.
- Directors elect the officers each year.

BLUE HERON POINTE  
GUIDE TO REVISIONS  
August 6, 2005  
Page five

IN CLOSING...

When you and the co-owners you serve purchased your units you may not have recognized that this form of shared ownership housing involves such complexity and puts strangers in charge of many aspects of your home and your finances. The Condominium Documents are intended to help assure fair, equitable and effective administration of the shared ownership interests and to require a reasonable level of cooperation from all of the co-owners. As circumstances change over the time, additional future amendments may become appropriate to best serve the changing needs of the membership.

- (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms, or corporations to assist in management, operation, maintenance and administration of said Corporation;
- (f) To make and enforce reasonable regulations concerning the use and enjoyment of said Condominium;
- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, including, but not limited to, any Unit in the Condominium, for any purpose of providing benefit to the members of the Corporation and in furtherance of any of the purposes of the Corporation;
- (h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure by mortgage, pledge or other lien;
- (i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and Rules and Regulations of this Corporation as may hereinafter be adopted;
- (j) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Bylaws or by Act No. 59 of Public Act of 1978, as amended; and
- (k) In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of said Condominium and to the accomplishment of any of the purposes thereof.

### **ARTICLE III ADDRESSES**

The address of the registered office is: 1877 Orchard Lake Road Suite 101, Sylvan Lake, MI 48320.

### **ARTICLE VIII LIMITATION OF LIABILITY OF VOLUNTEER OFFICERS AND DIRECTORS**

Section 1. A volunteer director, as defined in Section 110(2) of Act No. 162 of the Public Acts of 1982, as amended, and/or a volunteer officer are not personally liable to the Corporation or its members for monetary damages for a breach of the director's or officer's fiduciary duty. However, this provision shall not eliminate or limit the liability of a director or officer for any of the following:

- (a) A breach of the director's or officer's duty of loyalty to the Corporation or its members.
- (b) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law.
- (c) A violation of Section 551(1) of Act No. 162 of the Public Acts of 1982, as amended.
- (d) A transaction from which the director or officer derived an improper personal benefit.

## A GUIDE TO THE AMENDMENT PROPOSALS

For

BLUE HERON POINTE

### **GENERAL REVISIONS**

Your new text documents will all be letter size with an easily read font. All unnecessary references to the developer have been deleted. The new text is now gender neutral throughout. The text has been updated in keeping with revisions to the Condominium Act and other Michigan statutes. Changes in the laws involving the rights of the disabled and satellite dish antennas have been taken into account in the revised text. Any previous text considered illegal or unenforceable has also been deleted. The lengthy Condominium Bylaws document now includes a detailed topical Table of Contents with better organization. Overall, we have attempted to modernize and customize your documents to best suit the needs and desires of your membership and Association.

### **ARTICLES OF INCOPORATION**

This document originally created your Association as a Michigan nonprofit corporation. We have verified the corporate identification number, good standing status, and correct information regarding registered office and resident agent information. Additionally, as permitted under current Michigan law, we have proposed new text to help shield the volunteer officers and directors from certain liabilities. Also, the text that fragmented the classes of membership and the budget process has been deleted along with the text about the board of directors. It need not be kept in this document. Please refer to the new Condominium Bylaws concerning the board and the budget topics.

Verifying the  
previous  
document  
pertaining to  
the bylaws and

We have  
the following registered  
and have proposed

BLUE HERON POINTE  
GUIDE TO REVISIONS  
August 6, 2005  
Page three

### Article V – Repairs

This text supplements, but does not contradict, the Master Deed concerning duties of maintenance, repair and replacement. Please review Sections 4 and 5 in particular. We have made a major change as regards "incidental damages". We now define the term and cap the Association's formerly unlimited liability exposure.

### Article VI – Restrictions

This Article tends to be of particular interest to most co-owners and should be carefully read and considered.

### Article VII – Mortgages

Nothing noteworthy (to most co-owners) appears here.

### Article VIII – Voting

- Please refer to new Article XIV regarding Amendments.
- To be able to vote you must own a unit, not be in default in payment of any amount owed to the Association and you must file a designated voting representative form with the Association.
- Votes can be cast in person, by proxy or by written ballot.

### Article IX – Meetings

- Note the Annual Meeting month at Section 2 and quorum requirement at Section 5.

### Article X – Board of Directors

- Section 1 sets forth new eligibility requirements for director candidates.
- The vast majority of the decisions involving the Association are made by the directors not the co-owners, as per the past.
- Please review the directors' powers and duties at Section 3.
- Please note that co-owners have no legal right to attend board meetings but may do so with the Board's permission.
- Co-owners elect directors; directors appoint persons to fill vacancies except in recalls.

### Article XI – Officers

- The officers are described in this Article.
- Directors elect the officers each year.

BLUE HERON POINTE  
GUIDE TO REVISIONS  
August 6, 2005  
Page five

IN CLOSING...

When you and the co-owners you serve purchased your units you may not have recognized that this form of shared ownership housing involves such complexity and puts strangers in charge of many aspects of your home and your finances. The Condominium Documents are intended to help assure fair, equitable and effective administration of the shared ownership interests and to require a reasonable level of cooperation from all of the co-owners. As circumstances change over the time, additional future amendments may become appropriate to best serve the changing needs of the membership.

BLUE HERON POINTE  
GUIDE TO REVISIONS  
August 6, 2005  
Page two

## **CONDOMINIUM BYLAWS**

In addition to all of the general updating described above, we have worked to customize your Condominium Bylaws to best suit the needs of your membership. Space considerations prevent our mentioning every change that is being proposed. Similarly, we cannot highlight all of the "important" changes since that which is important to one co-owner may be of no interest to another. That said, the following notes are offered to help you in your review effort.

### **Article I – Association of Co-owners**

- Reserve funds not refundable.
- Condominium Documents available for inspection.
- Please consult the Table of Contents to find the relocated topics that used to appear in Article I.

### **Article II – Assessments**

- Note the differences between "additional" and "special" assessments at Section 2. (Most associations will never have a true "special assessment.")
- Note the various consequences of non-payment of assessments at Sections 3 and 5.
- Foreclosing mortgage lenders become liable for assessment upon acquiring title per Section 6.

### **Article III - Arbitration**

The Condominium Act requires that this voluntary dispute resolution mechanism be included. We propose no material changes.

### **Article IV - Insurance**

- The Association must insure the common elements and certain non-common elements that were standard features sold by the developer.
- Co-owners must insure their own units, contents, betterments, upgrades, additions, improvements and personal liability exposures.
- Co-owners must also buy insurance for their alternate living expenses in the event the unit must be vacated for repairs.
- Co-owners who are renting their units will need special additional coverages.
- Co-owners should consider meeting with their own insurance agents to review Article IV specifically and the condominium documents generally as well as the individual insurance needs of each co-owner.

BLUE HERON POINTE  
GUIDE TO REVISIONS  
August 6, 2005  
Page four

### Article XII – Finance

- The Association is required to keep detailed books and records and to send financial statements to the co-owners each year.
- Qualified, independent auditors must review or audit each year.
- Co-owners have a right to inspect the books, records and contracts during reasonable working hours.

### Article XIII – Indemnification

- A topic of prime interest to you, previously buried in the old documents at Section 6 on old page 8
- Directors and officers are not paid for their service.
- There are important liability protections to encourage volunteers to serve as officers or directors.

### Article XIV- AMENDMENTS

This text describes how the Condominium Bylaws may be amended in the future in accordance with the Act.

### Article XV – Compliance

- In short, the Condominium Documents rule those persons having an interest in the project and those entering it.

### Article XVI – Definitions

- The Act and the Master Deed provide the definitions of important legal terms.

### Article XVII – Remedies

- In order to perform its functions, the Association must have the legal tools to enforce compliance; with each co-owners good faith and neighborly efforts, they may not have to be employed by the Association very often.

### Article XVIII – Severability

- This clause protects the Bylaws as a whole from being invalidated due to a problem involving any part.

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH  
BUREAU OF COMMERCIAL SERVICES

(FOR BUREAU USE ONLY):

Date Received:

This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.

Name

D. Douglas Alexander (P29010)

Address

ALEXANDER, ZELMANSKI & LEE, PLLC  
44670 ANN ARBOR RD., STE. 170

City, State, Zip Code

PLYMOUTH, MI 48170

EFFECTIVE DATE:

Document will be returned to the name and address you enter above.  
If left blank document will be mailed to the registered office.

**RESTATED ARTICLES OF INCORPORATION**

**For use by Domestic Nonprofit Corporations**

Pursuant to the provisions of Act 162, Public Act of 1982, the undersigned corporation executes the following Restated Articles:

1. The present name of the corporation is: BLUE HERON POINTE CONDOMINIUM ASSOCIATION
2. The identification number assigned by the Bureau is: 757256
3. All former names of the corporation are: NONE
4. The date of filing the original Articles of Incorporation was: 10-27-1987

*The following Restated Articles of Incorporation supersede the Articles of Incorporation as amended and shall be the Articles of Incorporation for the corporation:*

**ARTICLE I**  
**NAME**

The name of the corporation is BLUE HERON POINTE CONDOMINIUM ASSOCIATION.

**AMENDED AND RESTATED  
NON-PROFIT  
ARTICLES OF INCORPORATION**

**ARTICLE II  
PURPOSES**

The purpose for which the Corporation is formed are as follows:

- (a) To manage and administer the affairs of and to maintain BLUE HERON POINTE CONDOMINIUM ASSOCIATION, a condominium (hereinafter called "Condominium");
- (b) To levy and collect assessments against and from the members of the Corporation and to use the proceeds thereof for the purposes of the Corporation;
- (c) To carry insurance and to collect and allocate the proceeds thereof;
- (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms, or corporations to assist in management, operation, maintenance and administration of said Corporation;
- (f) To make and enforce reasonable regulations concerning the use and enjoyment of said Condominium;
- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, including, but not limited to, any Unit in the Condominium, for any purpose of providing benefit to the members of the Corporation and in furtherance of any of the purposes of the Corporation;
- (h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure by mortgage, pledge or other lien;
- (i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and Rules and Regulations of this Corporation as may hereinafter be adopted;
- (j) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Bylaws or by Act No. 59 of Public Act of 1978, as amended; and
- (k) In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of said Condominium and to the accomplishment of any of the purposes thereof.

(f) for any act or omission that is grossly negligent.

The Corporation assumes liability for all acts or omissions of volunteer Officers and Directors occurring on or after the date of these Restated Articles of Incorporation if all of the following are met:

- (i) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.
- (ii) The volunteer was acting in good faith.
- (iii) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.
- (iv) The volunteer's conduct was not an intentional tort.
- (v) The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in Section 3135 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being Section 500.3135 of the Michigan Compiled Laws.

If the Michigan Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of Officers or Directors, then the liability of the Officers and Directors of the Corporation shall be eliminated or limited to the fullest extent permitted by the Act, as so amended.

Any repeal, modification or adoption of any provision in these Articles of Incorporation inconsistent with this Article shall not adversely affect any right or protection of the Officers and Directors of the Corporation existing at the time of such repeal, modification or adoption.

## TABLE OF CONTENTS

### BLUE HERON POINTE CONDOMINIUM

### AMENDED AND RESTATED CONDOMINIUM BYLAWS

### (EXHIBIT "A" TO THE MASTER DEED)

	<u>PAGE(S)</u>
ARTICLE I, ASSOCIATION OF CO-OWNERS.....	1
ARTICLE II, ASSESSMENTS.....	2
Section 1. Assessments for Common Elements.....	2
Section 2. Determination of Assessments.....	2
(a) Budget, Basic Assessments.....	2
(b) Supplemental Assessments.....	2, 3
(c) Special Assessments.....	3
Section 3. Apportionment of Assessments; Default in Payment.....	3
Section 4. Waiver of Use or Abandonment of Unit; Uncompleted Repair Work.....	3, 4
Section 5. Enforcement.....	4, 5
Section 6. Liability of Mortgagee.....	5
Section 7. Property Taxes and Special Assessments.....	5
Section 8. Personal Property Tax Assessment of Association Property.....	5
Section 9. Construction Lien.....	5
Section 10. Statement As To Unpaid Assessments.....	5, 6
ARTICLE III, ARBITRATION.....	6
Section 1. Scope and Election.....	6
Section 2. Judicial Relief.....	6
Section 3. Election of Remedies.....	6
ARTICLE IV, INSURANCE.....	6
Section 1. Insurance Responsibility of the Association.....	6
(a) Insurance Responsibility of the Association and the Co-owners.....	6, 7
(b) Insurance of Common Elements, Dwelling Structures and Fixtures.....	7
(c) General Liability Insurance.....	7
(d) Officers and Directors Liability Insurance.....	7
(e) Premium Expense.....	7
(f) Proceeds of Insurance Policies.....	7
Section 2. Authority of Association to Settle Insurance Claims.....	8

## Table of Contents continued

	<u>PAGE(S)</u>
ARTICLE VII, MORTGAGES.....	16
Section 1. Notice to Association.....	16
Section 2. Insurance.....	17
Section 3. Notification of Meetings.....	17
ARTICLE VIII, VOTING.....	17
Section 1. Vote.....	17
Section 2. Eligibility to Vote.....	17
Section 3. Designation of Voting Representative.....	17
Section 4. Quorum.....	17
Section 5. Voting.....	17
Section 6. Majority.....	17
ARTICLE IX, MEETINGS.....	18
Section 1. Location; procedure.....	18
Section 2. Annual Meeting; Agenda.....	18
Section 3. Special Meetings.....	18
Section 4. Membership Meeting Notices.....	18
Section 5. Quorum.....	18, 19
Section 6. Adjournment for want of Quorum.....	19
ARTICLE X, BOARD OF DIRECTORS.....	19
Section 1. Eligibility.....	19
Section 2. Size, Terms of Office.....	19
Section 3. Powers, Duties.....	19, 20
Section 4. Vacancies.....	20
Section 5. Recall.....	20
Section 6. First Meetings of Boards.....	20
Section 7. Regular Board Meetings.....	20
Section 8. Special Board Meetings.....	20, 21
Section 9. Waiver of Notice.....	21
Section 10. Quorum.....	21
Section 11. Fidelity Bonds/Employee Dishonesty Insurance.....	21
Section 12. Executive Sessions.....	21

## Table of Contents continued

	<u>PAGE(S)</u>
(d) Assessment of Fines.....	25
(1) Procedures.....	25
a. Notice.....	25
b. Opportunity to Defend.....	25
c. Default.....	25
d. Hearing and Decision.....	25
(2) Amounts.....	25, 26
(3) Continuing Violations.....	26
(4) Collection.....	26
Section 2. Nonwaiver of Right.....	26
Section 3. Cumulative Rights, Remedies, and Privileges.....	26
ARTICLE XVIII, SEVERABILITY.....	26

## ARTICLE II

### ASSESSMENTS

All expenses arising from the management, administration and operation of the Association pursuant to the Condominium Documents and the Act, shall be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

**Section 1. Assessments For Common Elements.** All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute expenditures affecting the administration of the Condominium, and all sums received as the proceeds of, or pursuant to a policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute receipts affecting the administration of the Condominium, within the meaning of Section 54(4) of the Act.

**Section 2. Determination of Assessments.** Assessments shall be determined in accordance with the following provisions:

(a) **Budget, Basic Assessments.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Co-owner's obligation to pay the allocable share of the common expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget each Unit Co-owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the new monthly payment which shall not be due less than ten (10) days after such new annual or adjusted budget is adopted. Each Co-owner's share of the annual budget shall be referred to as the Basic Assessment.

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 3 below rather than by additional or lump sum assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a non-cumulative basis. Since the minimum standard required by this Section may prove to be inadequate for this particular Condominium, the Association of Co-owners 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 funds contained in such reserve fund should be used for major repairs and replacements of Common Elements.

Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments.

(b) **Supplemental Assessments.** If the Board of Directors determines at any time, in its sole discretion, that the Basic Assessments levied are, or may prove to be, insufficient to meet the needs of the Association, it shall have the authority to increase the budget and/or levy Supplemental Assessments payable in whatever manner it determines (ie., lump sum or by installments). The discretionary authority of the Board of Directors to levy Supplemental 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

**Section 5. Enforcement.** 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, or both in accordance with the Act. Pursuant to Section 139 of the Act, no Co-owner may assert in an answer or set-off to a complaint brought by the Association for nonpayment of assessments the fact that the Association or its agents have not provided the services or management to the Co-owner.

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 such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purpose 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 to cause the Unit to be sold with respect to which the assessment(s), is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Condominium acknowledges that at the time of acquiring title to such Unit, the Co-owner was notified of the provisions of this Section and that the Co-owner voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit. The Association, acting on behalf of all Co-owners, may bid in at the foreclosure sale, and acquire, hold, lease, mortgage or convey the Condominium Unit.

Notwithstanding the foregoing, a judicial foreclosure action shall not be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his/her or their last known address of a written notice that one or more installments of the annual assessment and/or a portion or all of a supplemental and/or a special assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by or in the form of a written Affidavit of an authorized representative of the Association that sets forth (i) the Affiant's capacity to make the Affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. The Affidavit may contain other information that the Association of Co-owners considers appropriate as per the Michigan Condominium Act including but not limited to the amount of any unpaid interest, costs, attorney fees, future assessments, court costs and/or unpaid monetary fines. Such Affidavit shall be recorded in the office of the Register of Deeds in the County in which the Condominium is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing to the Co-owner. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the Co-owner and shall inform the Co-owner that he/she may request a judicial hearing by bringing suit against the Association.

The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees), late charges, unpaid monetary fines and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default including late charges and unpaid monetary fines, if any, and shall be secured by the lien on the Co-owner's Unit. 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, and/or in the event of default by any Co-owner in the payment of any installment and/or portion of any additional or special assessment levied against the Co-owner's Unit, or any other obligation of a Co-owner which, according to these Bylaws, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof, the Association shall have the right to declare all unpaid

attorneys' fees incurred in the collection thereof, and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except tax liens on the Condominium Unit in favor of any state or federal taxing authority and first mortgages of record. The Association may charge such reasonable amounts for preparation of such a statement as it may from time to time determine.

### ARTICLE III

#### 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 Co-owners, or between a Co-owner or Co-owners and the Association shall, upon the election and written consent of both of the parties to any such disputes, claims or grievances, and written notice to the Association, if applicable, be submitted to arbitration and the parties thereto shall accept the arbitrators' 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. Any agreement to arbitrate pursuant to the provisions of this Article III, Section 1 shall include an agreement between the parties that the judgment of any Circuit Court of the State of Michigan may be rendered upon any award rendered pursuant to such arbitration.

Section 2. Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section I 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. Election by the parties to submit such disputes, claims or grievances to arbitration shall preclude them from litigating such disputes, claims or grievances in the Courts.

### ARTICLE IV

#### INSURANCE

Section 1. Insurance Responsibility of the Association. The Association shall carry property insurance, general liability insurance, officers and directors liability insurance, workers compensation insurance, if applicable, and such other insurance as the Board may determine to be appropriate with respect to the ownership, use and maintenance of the General and Limited Common Elements of the Condominium and the administration of Condominium affairs. Such insurance shall be carried and administered in accordance with the following provisions:

(a) Insurance Responsibility of the Association and the Co-owners. It shall be each Co-owner's responsibility to determine by personal investigation the nature and extent of insurance coverage needed to protect his/her Unit, his/her personal property located within his/her Unit or elsewhere in the Condominium and for his/her personal liability for occurrences within his/her Unit or upon the Limited Common Elements appurtenant to his/her Unit and also for additional living expenses. Each Co-owner may obtain insurance coverage at his/her own expense upon the building items within his/her Condominium Unit which were furnished with the Unit by the Developer however it will be considered to be excess insurance since the Association's property insurance will be primary coverage as described below. The Association shall purchase insurance for the benefit of the Association, the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of Certificates of Insurance with mortgagee endorsements to the mortgagees of the Co-owners. Each Co-owner and the Association shall use their best

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 true and lawful attorney-in-fact to act in connection with all matters concerning insurance pertinent to the Condominium, the Unit and the Common Elements appurtenant thereto. 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, 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-owners and the Condominium as shall be necessary or convenient to accomplish the foregoing.

## ARTICLE V

### RECONSTRUCTION OR REPAIR

Section 1. Responsibility For Reconstruction Or Repair. In the event any part of the Condominium property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) One Or More Units Tenantable. In the event the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by unanimous vote of all of the Co-owners in the Condominium that the Condominium shall be terminated and each institutional holder of a first mortgage lien on any Unit in the Condominium has given its prior written approval for such termination.

(b) No Unit Tenantable. In the event the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless seventy-five (75%) percent or more of all the Co-owners agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. Repair In Accordance With Master Deed, Etc. 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 66 2/3rds percent of the Co-owners shall consent to do otherwise.

Section 3. Association Responsibility for Certain Non-Common Element Repairs to the Extent of its Insurance Proceeds. In the event that damage occurs to any of the following listed items and there is coverage under the Association's policy, then the reconstruction or repair of these items shall become the duty of the Association except that the portion of the expense incurred but not recovered by virtue of any insurance deductible shall be the Co-owner's obligation:

- (a) interior walls within a Co-owner's Unit.
- (b) pipes, wire, conduits, ducts or other Common Elements within the Unit.
- (c) any fixtures, equipment and trim which were standard items (or like kind replacements thereof).
- (d) 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 and water heaters, if any.

Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair or reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place 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 payment of the costs thereof are insufficient, assessments shall be made against the Co-owners who are responsible for the costs of reconstruction or repair of the damaged property (as provided in the Master Deed) in sufficient amounts to provide funds to pay the estimated or actual costs of repair.

**Section 5. Co-owner Responsibility for Repair If Not Covered by Association Insurance Policy Proceeds.** Each Co-owner shall be responsible for wear and tear, ordinary decoration, maintenance, repair and replacement (and casualty damage not covered by the Association's insurance proceeds) involving the interior of the Co-owner's Unit, including all finished flooring and floor coverings, all interior walls, wall coverings, interior trim and all of the items enumerated in Section 3 hereinabove.

**Section 6. Timely Reconstruction and Repair.** The Association or Co-owner responsible for the reconstruction, repair and/or maintenance shall proceed with and complete reconstruction, repair, maintenance or replacement of the damaged property without delay. **In the event a Co-owner fails to timely complete any reconstruction, repair, maintenance or replacement, the Association may proceed with the work and assess the resulting costs to the Co-owner.**

**Section 7. Eminent Domain.** Section 133 of the Act and the following provisions shall control upon any taking by eminent domain.

(a) **Taking of Entire Unit.** In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the owner and his/her mortgagee, they shall be divested of all interest in the Condominium. In the event that any condemnation award shall become payable to any Co-owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Co-owner and his/her mortgagee, as their interests may appear.

(b) **Taking of Common Elements.** If there is any taking of any portion of the Condominium other than any Unit, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than fifty (50%) percent of all of the Co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) **Continuation of Condominium After Taking.** In the event the Condominium continues after taking by eminent domain, then the remaining portion of the Condominium shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Paragraph 6 of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of one hundred (100%) percent. A Condominium Unit partially taken shall receive a reallocated percentage of value based pro rata on the percentage taken. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner, but only with the prior written notice to all holders of first mortgage liens on individual Units in the Condominium.

(d) **Notification of Mortgagees.** In the event any Unit in the Condominium, or any portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority,

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 be a breach of the rental agreement or lease by the tenant. The form of lease used by any Co-owner shall explicitly contain the foregoing provisions. Pursuant to the Michigan Condominium Act, if the tenant, after being notified, fails or refuses to remit rent otherwise due the Co-owner to the Association of Co-owners, then the Association of Co-owners may do the following:

(1) issue a statutory notice to quit for nonpayment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.

(2) initiate proceedings pursuant to MCL 559.212(4)(b).

(c) A Co-owner may lease his unit for a minimum term of six (6) months for the same purposes set forth in Section 1 above provided the occupancy is only by the lessee and his family. No rooms in a unit may be rented and no transient tenants accommodated. An exact copy of the proposed lease shall be provided to the Association ten (10) days prior to presenting it to the tenant for execution and shall specifically state that the tenant acknowledges that he/she must abide by all of the terms and conditions of the Condominium Documents including the Association's rules and regulations. If no lease form is to be used, then the Co-owner shall supply the Association of co-owners with the name and address of the potential lessee, along with the rental amount and due dates under the proposed agreement.

Section 3. Alterations And Modifications Of Units And Common Elements. No Co-owner shall make alterations in exterior appearance or make structural modifications to the Co-owner's 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 advance express written approval of the Board of Directors (which approval shall be in recordable form), including, but not by way of limitation, exterior painting or the erection of antennas, lights, aerials, awnings, doors, shutters, newspaper holders, mailboxes, basketball backboards or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to walls between Units which in any way impair sound conditioning. Over the air reception devices including but not limited to satellite dish antennas shall not be attached or installed upon any General Common Element chimney or roof; such devices shall not be attached or installed upon any other General Common Element without the advance written permission of the Board of Directors. Over the air reception devices such as satellite dish antennas may be installed within Units or Limited Common Elements in accordance with the rules and regulations of the Federal Communications Commission. No attachment, appliance or other item may be installed which is designed to kill or repel insects or other animals by light or humanly audible sound.

The foregoing is subject to the applicable provisions of the Michigan Condominium Act governing improvements or modifications if the purpose of the improvement or modification is to facilitate access to or movement within the Unit for persons with disabilities under the circumstances provided for in the Act at MCL 559.147 a, as amended from time to time.

The Co-owner shall be responsible for the maintenance and repair of any such modification or improvement. In the event that the Co-owner fails to maintain and/or repair said modification or improvement to the satisfaction of the Association, the Association may undertake to maintain and/or repair same and assess the Co-owner the costs thereof and collect same from the Co-owner in the same manner as provided for the collection of assessments in Article II hereof. The Co-owner shall indemnify and hold the Association harmless from and against any and all costs, damages, and liabilities incurred in regard to said modification and/or improvement.

No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves, sump pumps, or any element which affects an Association

furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use. Trash receptacles shall be kept inside the Units or garages until dusk of the day preceding collection and shall be returned inside on the day of collection. Co-owners shall be responsible to clean up any garbage or trash which escapes their trash receptacles for any reason including but not limited to animals opening receptacles or removing items therefrom. 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 any Co-owner either in the Co-owner's Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

**Section 7. Utilization of Common Elements.** Sidewalks, yards, landscaped areas, driveways, roads, parking areas, and porches 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 bicycles, vehicles, chairs, benches or other objects may be left unattended on or about the Common Elements. Use of any recreational facilities or other amenities in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations; provided, however, that use of any amenities in the Condominium shall be limited to resident Co-owners who are members in good standing of the Association and to the tenants, land contract purchasers and/or other non-Co-owner occupants of Condominium Units in which the Co-owner does not reside and/or such guests as may be permitted by the rules and regulations made by the Association; provided, further, however, that the nonresident Co-owners of such Condominium Units are members in good standing of the Association. **Only clean water may be deposited into the leaching basins as they are critical to the protection of the water quality of the lake; absolutely no oil, gas, cleaning agents or any other pollutants shall be deposited into any leaching basin or into the lake or its watershed.**

**Section 8. Vehicles.** No mopeds, motorcycles, house trailers, recreational vehicles, or similar vehicles, such as vehicles larger than the standard parking spaces, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, mobile homes, dune buggies, motor homes, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles other than automobiles, mini-vans, sport utility vehicles and pickup trucks may be parked upon the premises of the Condominium, unless specifically approved by the Association or parked in an area specifically designated therefor by the Association. Each resident shall park their vehicles within their garage and driveway but not elsewhere upon the Common Elements. Nothing herein contained shall be construed to require the Association to approve the parking of such vehicles as are described in the first sentence of this Section or to designate an area therefor. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of such vehicles or to designate an area therefor.

Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pick-ups in the normal course of business. For purposes of this Section, the term "commercial vehicle" means any vehicle that has any one of the following characteristics: (a) more than two axles; (b) gross vehicle weight rating in excess of 10,000 pounds; (c) visibly equipped with or carrying equipment or materials used in a business; or (d) carrying a sign advertising or identifying a business.

Non-operational vehicles, and vehicles with expired license plates shall not be parked or stored on the Condominium Premises without the written permission of the Board of Directors. Vehicles which detract from the appearance of the Condominium shall not be parked or stored on the Condominium Premises. Non-emergency maintenance or repair of motor vehicles shall not be permitted on the Condominium Premises unless specifically approved by the Board of Directors. The Association may assign General Common Element parking spaces for the use of the Co-owners of a particular Unit or Units in an equitable manner.

planted by the Co-owner. In the event that such Co-owner fails to adequately maintain such landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted by the Co-owner to the satisfaction of the Association, the Association shall have the right to perform such maintenance and assess and collect from the Co-owner the cost thereof in the manner provided in Article II hereof. The Co-owner shall also be liable for any damages to the Common Elements arising from the performance of such landscaping or the planting of such trees, shrubs, or flowers, or the continued maintenance thereof.

Section 13. Co-owner Maintenance. Each Co-owner shall maintain his/her Unit and any Limited Common Elements appurtenant thereto for which he/she 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, 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, or to other Co-owners, as the case may be, resulting from negligent damage to or misuse of any of the Common Elements by the Co-owner, or his/her family, guests, tenants, land contract purchasers, 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 full reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association or to other Co-owners, as the case may be, 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 14. Assessment Of Costs Of Enforcement. Any and all costs, damages, expenses and/or attorney fees incurred by the Association in enforcing any of the restrictions set forth in this Article VI and/or rules and regulations made by the Board of Directors of the Association under Article VI, Section 10 of these Bylaws, and any expenses incurred as a result of the conduct of less than all those entitled to occupy the Condominium Project, or by their licensees or invitees, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 15. Use of Lake and Canals. The lake and adjoining canals are common elements restricted in use to members of the Association, their families and accompanied guests. Power boats other than those propelled by electric motors generating speeds of not greater than 5 m.p.h. are prohibited. Boats and other water craft may only be docked at the designated docking areas.

## ARTICLE VII

### MORTGAGES

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

## ARTICLE IX

### MEETINGS

Section 1. Location; procedure. Meetings of the Association shall be held at such suitable place convenient to the Co-owners as may be designated by the Board of Directors. Voting shall be as provided in the Condominium Bylaws. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order, when not otherwise in conflict with the Articles of Incorporation, the Bylaws of the Corporation, the Condominium Master Deed or the laws of the State of Michigan.

Section 2. Annual Meeting; Agenda. Annual Meetings of members of the corporation shall be held during the month of September at such date, time and place as the Board of Directors shall direct. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article III of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Corporation as may properly come before them. At the Annual Meeting of members, the order of business shall be as follows, unless otherwise determined by the Board:

- (a) Calling the meeting to order.
- (b) Proof of notice of the meeting.
- (c) Determination of Quorum.
- (d) Reading of minutes of the last previous Annual Meeting.
- (e) Election of directors.
- (f) Reports from officers.
- (g) Reports from committees.
- (h) Miscellaneous business.

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 a majority 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. Membership Meeting Notices. 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) calendar days but not more than sixty (60) calendar 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 to be filed with the Association by Article VIII, Section 3 of the Condominium Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association shall be deemed due notice.

Section 5. Quorum. The presence in person or by proxy of thirty-five (35%) percent of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically provided herein to require a greater quorum. The written ballot of

(f) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any apartment 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 and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of more than sixty (60%) percent of all of the members of the Association.

(h) To make rules and regulations in accordance with Article VI, Section 10 of the Condominium 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.

(k) The Board of Directors may employ for the Association a professional management agent 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 above, 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.

Section 4. Vacancies. Vacancies in the Board of Directors 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 Association.

Section 5. Recall. At any regular or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by affirmative vote of at least fifty-one (51%) percent of the entire membership and a successor may then and there be elected to fill any vacancy thus created. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

Section 6. First Meetings of Boards. The first meeting of a newly elected Board of Directors shall be held within ten (10) calendar days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no other notice shall be necessary to the newly elected Directors to constitute a duly called meeting.

Section 7. Regular Board Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, fax, telephone or email, at least ten (10) days prior to the date named for such meeting.

Section 8. Special Board Meetings. Special meetings of the Board of Directors may be called by the President on three (3) calendar days' notice to each Director, given personally, by mail, fax, telephone or email, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of

Section 4. President. The President shall be the chief executive officer of the Association. He/She shall preside at all meetings of the Association and of the Board of Directors. He/She shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to the power to appoint committees from among the members of the Association from time to time as he/she may in his/her discretion deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his/her 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 upon him/her by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of the meetings of the members of the Association; he/she shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and he/she shall, in general, perform all duties incident to the office of the Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He/She 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 depositaries as may, from time to time, be designated by the Board of Directors.

Section 8. Miscellaneous. 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

### 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 non-privileged Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be reviewed or audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does there need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The cost of any such review or audit and any accounting expenses shall be expenses of administration.

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

Section 3. Depositories. The funds of the Association shall be initially deposited in such credit unions, banks or with insured securities brokers or invested in federally insured securities as may be designated by the

2/3%) percent of all Co-owners. Notwithstanding any provision of the Condominium Documents to the contrary, mortgagees are entitled to vote only on amendments which are material to their interests as defined in the Michigan Condominium Act as amended from time to time.

Section 4. When Effective. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the County Register of Deeds.

Section 5. Binding. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium irrespective of whether such persons actually receive a copy of the amendment.

## ARTICLE XV

### COMPLIANCE

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

## ARTICLE XVI

### DEFINITIONS

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

## ARTICLE XVII

### REMEDIES FOR DEFAULT

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 and provisions of the Condominium Documents or the Act, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

(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 attorney fees incurred in obtaining their compliance with the Condominium Documents. In any proceeding arising because of an alleged default

- a. FIRST VIOLATION: No fine shall be levied.
- b. SECOND VIOLATION: Twenty-five Dollar (\$25.00) fine.
- c. THIRD VIOLATION: Fifty Dollar (\$50.00) fine.
- d. FOURTH VIOLATION AND SUBSEQUENT VIOLATIONS: One Hundred Dollar (\$100.00) fine.

(3) Continuing Violations. In the event that a violation continues beyond 10 days from the date of the offending Co-owner's hearing at which the Board determines that a violation has occurred, the continuing violation will be treated as a separate and subsequent violation and new and increased fines may be levied on each occasion of any subsequent violation determination without the necessity of a further hearing or hearings thereon.

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

Section 2. Nonwaiver Of Right. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, 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 aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

## ARTICLE XVIII

### 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.

**AMENDED AND RESTATED  
NON-PROFIT  
ARTICLES OF INCORPORATION**

**ARTICLE II  
PURPOSES**

The purpose for which the Corporation is formed are as follows:

- (a) To manage and administer the affairs of and to maintain BLUE HERON POINTE CONDOMINIUM ASSOCIATION, a condominium (hereinafter called "Condominium");
- (b) To levy and collect assessments against and from the members of the Corporation and to use the proceeds thereof for the purposes of the Corporation;
- (c) To carry insurance and to collect and allocate the proceeds thereof;
- (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms, or corporations to assist in management, operation, maintenance and administration of said Corporation;
- (f) To make and enforce reasonable regulations concerning the use and enjoyment of said Condominium;
- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, including, but not limited to, any Unit in the Condominium, for any purpose of providing benefit to the members of the Corporation and in furtherance of any of the purposes of the Corporation;
- (h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure by mortgage, pledge or other lien;
- (i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and Rules and Regulations of this Corporation as may hereinafter be adopted;
- (j) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Bylaws or by Act No. 59 of Public Act of 1978, as amended; and
- (k) In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of said Condominium and to the accomplishment of any of the purposes thereof.

(f) for any act or omission that is grossly negligent.

The Corporation assumes liability for all acts or omissions of volunteer Officers and Directors occurring on or after the date of these Restated Articles of Incorporation if all of the following are met:

- (i) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.
- (ii) The volunteer was acting in good faith.
- (iii) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.
- (iv) The volunteer's conduct was not an intentional tort.
- (v) The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in Section 3135 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being Section 500.3135 of the Michigan Compiled Laws.

If the Michigan Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of Officers or Directors, then the liability of the Officers and Directors of the Corporation shall be eliminated or limited to the fullest extent permitted by the Act, as so amended.

Any repeal, modification or adoption of any provision in these Articles of Incorporation inconsistent with this Article shall not adversely affect any right or protection of the Officers and Directors of the Corporation existing at the time of such repeal, modification or adoption.

## TABLE OF CONTENTS

### BLUE HERON POINTE CONDOMINIUM

### AMENDED AND RESTATED CONDOMINIUM BYLAWS

### (EXHIBIT "A" TO THE MASTER DEED)

	<u>PAGE(S)</u>
ARTICLE I, ASSOCIATION OF CO-OWNERS.....	1
ARTICLE II, ASSESSMENTS.....	2
Section 1. Assessments for Common Elements.....	2
Section 2. Determination of Assessments.....	2
(a) Budget, Basic Assessments.....	2
(b) Supplemental Assessments.....	2, 3
(c) Special Assessments.....	3
Section 3. Apportionment of Assessments; Default in Payment.....	3
Section 4. Waiver of Use or Abandonment of Unit; Uncompleted Repair Work.....	3, 4
Section 5. Enforcement.....	4, 5
Section 6. Liability of Mortgagee.....	5
Section 7. Property Taxes and Special Assessments.....	5
Section 8. Personal Property Tax Assessment of Association Property.....	5
Section 9. Construction Lien.....	5
Section 10. Statement As To Unpaid Assessments.....	5, 6
ARTICLE III, ARBITRATION.....	6
Section 1. Scope and Election.....	6
Section 2. Judicial Relief.....	6
Section 3. Election of Remedies.....	6
ARTICLE IV, INSURANCE.....	6
Section 1. Insurance Responsibility of the Association.....	6
(a) Insurance Responsibility of the Association and the Co-owners.....	6, 7
(b) Insurance of Common Elements, Dwelling Structures and Fixtures.....	7
(c) General Liability Insurance.....	7
(d) Officers and Directors Liability Insurance.....	7
(e) Premium Expense.....	7
(f) Proceeds of Insurance Policies.....	7
Section 2. Authority of Association to Settle Insurance Claims.....	8

## Table of Contents continued

	<u>PAGE(S)</u>
ARTICLE VII, MORTGAGES.....	16
Section 1. Notice to Association.....	16
Section 2. Insurance.....	17
Section 3. Notification of Meetings.....	17
ARTICLE VIII, VOTING.....	17
Section 1. Vote.....	17
Section 2. Eligibility to Vote.....	17
Section 3. Designation of Voting Representative.....	17
Section 4. Quorum.....	17
Section 5. Voting.....	17
Section 6. Majority.....	17
ARTICLE IX, MEETINGS.....	18
Section 1. Location; procedure.....	18
Section 2. Annual Meeting; Agenda.....	18
Section 3. Special Meetings.....	18
Section 4. Membership Meeting Notices.....	18
Section 5. Quorum.....	18, 19
Section 6. Adjournment for want of Quorum.....	19
ARTICLE X, BOARD OF DIRECTORS.....	19
Section 1. Eligibility.....	19
Section 2. Size, Terms of Office.....	19
Section 3. Powers, Duties.....	19, 20
Section 4. Vacancies.....	20
Section 5. Recall.....	20
Section 6. First Meetings of Boards.....	20
Section 7. Regular Board Meetings.....	20
Section 8. Special Board Meetings.....	20, 21
Section 9. Waiver of Notice.....	21
Section 10. Quorum.....	21
Section 11. Fidelity Bonds/Employee Dishonesty Insurance.....	21
Section 12. Executive Sessions.....	21

## Table of Contents continued

	<u>PAGE(S)</u>
(d) Assessment of Fines.....	25
(1) Procedures.....	25
a. Notice.....	25
b. Opportunity to Defend.....	25
c. Default.....	25
d. Hearing and Decision.....	25
(2) Amounts.....	25, 26
(3) Continuing Violations.....	26
(4) Collection.....	26
Section 2. Nonwaiver of Right.....	26
Section 3. Cumulative Rights, Remedies, and Privileges.....	26
ARTICLE XVIII, SEVERABILITY.....	26

## ARTICLE II

### ASSESSMENTS

All expenses arising from the management, administration and operation of the Association pursuant to the Condominium Documents and the Act, shall be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

Section 1. Assessments For Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute expenditures affecting the administration of the Condominium, and all sums received as the proceeds of, or pursuant to a policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute receipts affecting the administration of the Condominium, within the meaning of Section 54(4) of the Act.

Section 2. Determination of Assessments. Assessments shall be determined in accordance with the following provisions:

(a) Budget, Basic Assessments. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Co-owner's obligation to pay the allocable share of the common expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget each Unit Co-owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the new monthly payment which shall not be due less than ten (10) days after such new annual or adjusted budget is adopted. Each Co-owner's share of the annual budget shall be referred to as the Basic Assessment.

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 3 below rather than by additional or lump sum assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a non-cumulative basis. Since the minimum standard required by this Section may prove to be inadequate for this particular Condominium, the Association of Co-owners 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 funds contained in such reserve fund should be used for major repairs and replacements of Common Elements.

Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments.

(b) Supplemental Assessments. If the Board of Directors determines at any time, in its sole discretion, that the Basic Assessments levied are, or may prove to be, insufficient to meet the needs of the Association, it shall have the authority to increase the budget and/or levy Supplemental Assessments payable in whatever manner it determines (ie., lump sum or by installments). The discretionary authority of the Board of Directors to levy Supplemental 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

**Section 5. Enforcement.** 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, or both in accordance with the Act. Pursuant to Section 139 of the Act, no Co-owner may assert in an answer or set-off to a complaint brought by the Association for nonpayment of assessments the fact that the Association or its agents have not provided the services or management to the Co-owner.

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 such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purpose 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 to cause the Unit to be sold with respect to which the assessment(s), is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Condominium acknowledges that at the time of acquiring title to such Unit, the Co-owner was notified of the provisions of this Section and that the Co-owner voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit. The Association, acting on behalf of all Co-owners, may bid in at the foreclosure sale, and acquire, hold, lease, mortgage or convey the Condominium Unit.

Notwithstanding the foregoing, a judicial foreclosure action shall not be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his/her or their last known address of a written notice that one or more installments of the annual assessment and/or a portion or all of a supplemental and/or a special assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by or in the form of a written Affidavit of an authorized representative of the Association that sets forth (i) the Affiant's capacity to make the Affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. The Affidavit may contain other information that the Association of Co-owners considers appropriate as per the Michigan Condominium Act including but not limited to the amount of any unpaid interest, costs, attorney fees, future assessments, court costs and/or unpaid monetary fines. Such Affidavit shall be recorded in the office of the Register of Deeds in the County in which the Condominium is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing to the Co-owner. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the Co-owner and shall inform the Co-owner that he/she may request a judicial hearing by bringing suit against the Association.

The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees), late charges, unpaid monetary fines and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default including late charges and unpaid monetary fines, if any, and shall be secured by the lien on the Co-owner's Unit. 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, and/or in the event of default by any Co-owner in the payment of any installment and/or portion of any additional or special assessment levied against the Co-owner's Unit, or any other obligation of a Co-owner which, according to these Bylaws, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof, the Association shall have the right to declare all unpaid

attorneys' fees incurred in the collection thereof, and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except tax liens on the Condominium Unit in favor of any state or federal taxing authority and first mortgages of record. The Association may charge such reasonable amounts for preparation of such a statement as it may from time to time determine.

### ARTICLE III

#### 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 Co-owners, or between a Co-owner or Co-owners and the Association shall, upon the election and written consent of both of the parties to any such disputes, claims or grievances, and written notice to the Association, if applicable, be submitted to arbitration and the parties thereto shall accept the arbitrators' 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. Any agreement to arbitrate pursuant to the provisions of this Article III, Section 1 shall include an agreement between the parties that the judgment of any Circuit Court of the State of Michigan may be rendered upon any award rendered pursuant to such arbitration.

Section 2. Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section I 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. Election by the parties to submit such disputes, claims or grievances to arbitration shall preclude them from litigating such disputes, claims or grievances in the Courts.

### ARTICLE IV

#### INSURANCE

Section 1. Insurance Responsibility of the Association. The Association shall carry property insurance, general liability insurance, officers and directors liability insurance, workers compensation insurance, if applicable, and such other insurance as the Board may determine to be appropriate with respect to the ownership, use and maintenance of the General and Limited Common Elements of the Condominium and the administration of Condominium affairs. Such insurance shall be carried and administered in accordance with the following provisions:

(a) Insurance Responsibility of the Association and the Co-owners. It shall be each Co-owner's responsibility to determine by personal investigation the nature and extent of insurance coverage needed to protect his/her Unit, his/her personal property located within his/her Unit or elsewhere in the Condominium and for his/her personal liability for occurrences within his/her Unit or upon the Limited Common Elements appurtenant to his/her Unit and also for additional living expenses. Each Co-owner may obtain insurance coverage at his/her own expense upon the building items within his/her Condominium Unit which were furnished with the Unit by the Developer however it will be considered to be excess insurance since the Association's property insurance will be primary coverage as described below. The Association shall purchase insurance for the benefit of the Association, the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of Certificates of Insurance with mortgagee endorsements to the mortgagees of the Co-owners. Each Co-owner and the Association shall use their best

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 true and lawful attorney-in-fact to act in connection with all matters concerning insurance pertinent to the Condominium, the Unit and the Common Elements appurtenant thereto. 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, 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-owners and the Condominium as shall be necessary or convenient to accomplish the foregoing.

## ARTICLE V

### RECONSTRUCTION OR REPAIR

Section 1. Responsibility For Reconstruction Or Repair. In the event any part of the Condominium property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) One Or More Units Tenantable. In the event the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by unanimous vote of all of the Co-owners in the Condominium that the Condominium shall be terminated and each institutional holder of a first mortgage lien on any Unit in the Condominium has given its prior written approval for such termination.

(b) No Unit Tenantable. In the event the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless seventy-five (75%) percent or more of all the Co-owners agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. Repair In Accordance With Master Deed, Etc. 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 66 2/3rds percent of the Co-owners shall consent to do otherwise.

Section 3. Association Responsibility for Certain Non-Common Element Repairs to the Extent of its Insurance Proceeds. In the event that damage occurs to any of the following listed items and there is coverage under the Association's policy, then the reconstruction or repair of these items shall become the duty of the Association except that the portion of the expense incurred but not recovered by virtue of any insurance deductible shall be the Co-owner's obligation:

- (a) interior walls within a Co-owner's Unit.
- (b) pipes, wire, conduits, ducts or other Common Elements within the Unit.
- (c) any fixtures, equipment and trim which were standard items (or like kind replacements thereof).
- (d) 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 and water heaters, if any.

Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair or reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place 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 payment of the costs thereof are insufficient, assessments shall be made against the Co-owners who are responsible for the costs of reconstruction or repair of the damaged property (as provided in the Master Deed) in sufficient amounts to provide funds to pay the estimated or actual costs of repair.

Section 5. Co-owner Responsibility for Repair If Not Covered by Association Insurance Policy Proceeds. Each Co-owner shall be responsible for wear and tear, ordinary decoration, maintenance, repair and replacement (and casualty damage not covered by the Association's insurance proceeds) involving the interior of the Co-owner's Unit, including all finished flooring and floor coverings, all interior walls, wall coverings, interior trim and all of the items enumerated in Section 3 hereinabove.

Section 6. Timely Reconstruction and Repair. The Association or Co-owner responsible for the reconstruction, repair and/or maintenance shall proceed with and complete reconstruction, repair, maintenance or replacement of the damaged property without delay. In the event a Co-owner fails to timely complete any reconstruction, repair, maintenance or replacement, the Association may proceed with the work and assess the resulting costs to the Co-owner.

Section 7. Eminent Domain. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain.

(a) Taking of Entire Unit. In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the owner and his/her mortgagee, they shall be divested of all interest in the Condominium. In the event that any condemnation award shall become payable to any Co-owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Co-owner and his/her mortgagee, as their interests may appear.

(b) Taking of Common Elements. If there is any taking of any portion of the Condominium other than any Unit, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than fifty (50%) percent of all of the Co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) Continuation of Condominium After Taking. In the event the Condominium continues after taking by eminent domain, then the remaining portion of the Condominium shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Paragraph 6 of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of one hundred (100%) percent. A Condominium Unit partially taken shall receive a reallocated percentage of value based pro rata on the percentage taken. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner, but only with the prior written notice to all holders of first mortgage liens on individual Units in the Condominium.

(d) Notification of Mortgagees. In the event any Unit in the Condominium, or any portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority,

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 be a breach of the rental agreement or lease by the tenant. The form of lease used by any Co-owner shall explicitly contain the foregoing provisions. Pursuant to the Michigan Condominium Act, if the tenant, after being notified, fails or refuses to remit rent otherwise due the Co-owner to the Association of Co-owners, then the Association of Co-owners may do the following:

(1) issue a statutory notice to quit for nonpayment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.

(2) initiate proceedings pursuant to MCL 559.212(4)(b).

(c) A Co-owner may lease his unit for a minimum term of six (6) months for the same purposes set forth in Section 1 above provided the occupancy is only by the lessee and his family. No rooms in a unit may be rented and no transient tenants accommodated. An exact copy of the proposed lease shall be provided to the Association ten (10) days prior to presenting it to the tenant for execution and shall specifically state that the tenant acknowledges that he/she must abide by all of the terms and conditions of the Condominium Documents including the Association's rules and regulations. If no lease form is to be used, then the Co-owner shall supply the Association of co-owners with the name and address of the potential lessee, along with the rental amount and due dates under the proposed agreement.

Section 3. Alterations And Modifications Of Units And Common Elements. No Co-owner shall make alterations in exterior appearance or make structural modifications to the Co-owner's 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 advance express written approval of the Board of Directors (which approval shall be in recordable form), including, but not by way of limitation, exterior painting or the erection of antennas, lights, aerials, awnings, doors, shutters, newspaper holders, mailboxes, basketball backboards or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to walls between Units which in any way impair sound conditioning. Over the air reception devices including but not limited to satellite dish antennas shall not be attached or installed upon any General Common Element chimney or roof; such devices shall not be attached or installed upon any other General Common Element without the advance written permission of the Board of Directors. Over the air reception devices such as satellite dish antennas may be installed within Units or Limited Common Elements in accordance with the rules and regulations of the Federal Communications Commission. No attachment, appliance or other item may be installed which is designed to kill or repel insects or other animals by light or humanly audible sound.

The foregoing is subject to the applicable provisions of the Michigan Condominium Act governing improvements or modifications if the purpose of the improvement or modification is to facilitate access to or movement within the Unit for persons with disabilities under the circumstances provided for in the Act at MCL 559.147 a, as amended from time to time.

The Co-owner shall be responsible for the maintenance and repair of any such modification or improvement. In the event that the Co-owner fails to maintain and/or repair said modification or improvement to the satisfaction of the Association, the Association may undertake to maintain and/or repair same and assess the Co-owner the costs thereof and collect same from the Co-owner in the same manner as provided for the collection of assessments in Article II hereof. The Co-owner shall indemnify and hold the Association harmless from and against any and all costs, damages, and liabilities incurred in regard to said modification and/or improvement.

No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves, sump pumps, or any element which affects an Association

furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use. Trash receptacles shall be kept inside the Units or garages until dusk of the day preceding collection and shall be returned inside on the day of collection. Co-owners shall be responsible to clean up any garbage or trash which escapes their trash receptacles for any reason including but not limited to animals opening receptacles or removing items therefrom. 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 any Co-owner either in the Co-owner's Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

**Section 7. Utilization of Common Elements.** Sidewalks, yards, landscaped areas, driveways, roads, parking areas, and porches 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 bicycles, vehicles, chairs, benches or other objects may be left unattended on or about the Common Elements. Use of any recreational facilities or other amenities in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations; provided, however, that use of any amenities in the Condominium shall be limited to resident Co-owners who are members in good standing of the Association and to the tenants, land contract purchasers and/or other non-Co-owner occupants of Condominium Units in which the Co-owner does not reside and/or such guests as may be permitted by the rules and regulations made by the Association; provided, further, however, that the nonresident Co-owners of such Condominium Units are members in good standing of the Association. **Only clean water may be deposited into the leaching basins as they are critical to the protection of the water quality of the lake; absolutely no oil, gas, cleaning agents or any other pollutants shall be deposited into any leaching basin or into the lake or its watershed.**

**Section 8. Vehicles.** No mopeds, motorcycles, house trailers, recreational vehicles, or similar vehicles, such as vehicles larger than the standard parking spaces, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, mobile homes, dune buggies, motor homes, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles other than automobiles, mini-vans, sport utility vehicles and pickup trucks may be parked upon the premises of the Condominium, unless specifically approved by the Association or parked in an area specifically designated therefor by the Association. Each resident shall park their vehicles within their garage and driveway but not elsewhere upon the Common Elements. Nothing herein contained shall be construed to require the Association to approve the parking of such vehicles as are described in the first sentence of this Section or to designate an area therefor. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of such vehicles or to designate an area therefor.

Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pick-ups in the normal course of business. For purposes of this Section, the term "commercial vehicle" means any vehicle that has any one of the following characteristics: (a) more than two axles; (b) gross vehicle weight rating in excess of 10,000 pounds; (c) visibly equipped with or carrying equipment or materials used in a business; or (d) carrying a sign advertising or identifying a business.

Non-operational vehicles, and vehicles with expired license plates shall not be parked or stored on the Condominium Premises without the written permission of the Board of Directors. Vehicles which detract from the appearance of the Condominium shall not be parked or stored on the Condominium Premises. Non-emergency maintenance or repair of motor vehicles shall not be permitted on the Condominium Premises unless specifically approved by the Board of Directors. The Association may assign General Common Element parking spaces for the use of the Co-owners of a particular Unit or Units in an equitable manner.

planted by the Co-owner. In the event that such Co-owner fails to adequately maintain such landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted by the Co-owner to the satisfaction of the Association, the Association shall have the right to perform such maintenance and assess and collect from the Co-owner the cost thereof in the manner provided in Article II hereof. The Co-owner shall also be liable for any damages to the Common Elements arising from the performance of such landscaping or the planting of such trees, shrubs, or flowers, or the continued maintenance thereof.

Section 13. Co-owner Maintenance. Each Co-owner shall maintain his/her Unit and any Limited Common Elements appurtenant thereto for which he/she 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, 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, or to other Co-owners, as the case may be, resulting from negligent damage to or misuse of any of the Common Elements by the Co-owner, or his/her family, guests, tenants, land contract purchasers, 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 full reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association or to other Co-owners, as the case may be, 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 14. Assessment Of Costs Of Enforcement. Any and all costs, damages, expenses and/or attorney fees incurred by the Association in enforcing any of the restrictions set forth in this Article VI and/or rules and regulations made by the Board of Directors of the Association under Article VI, Section 10 of these Bylaws, and any expenses incurred as a result of the conduct of less than all those entitled to occupy the Condominium Project, or by their licensees or invitees, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 15. Use of Lake and Canals. The lake and adjoining canals are common elements restricted in use to members of the Association, their families and accompanied guests. Power boats other than those propelled by electric motors generating speeds of not greater than 5 m.p.h. are prohibited. Boats and other water craft may only be docked at the designated docking areas.

## ARTICLE VII

### MORTGAGES

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

## ARTICLE IX

### MEETINGS

Section 1. Location; procedure. Meetings of the Association shall be held at such suitable place convenient to the Co-owners as may be designated by the Board of Directors. Voting shall be as provided in the Condominium Bylaws. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order, when not otherwise in conflict with the Articles of Incorporation, the Bylaws of the Corporation, the Condominium Master Deed or the laws of the State of Michigan.

Section 2. Annual Meeting; Agenda. Annual Meetings of members of the corporation shall be held during the month of September at such date, time and place as the Board of Directors shall direct. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article III of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Corporation as may properly come before them. At the Annual Meeting of members, the order of business shall be as follows, unless otherwise determined by the Board:

- (a) Calling the meeting to order.
- (b) Proof of notice of the meeting.
- (c) Determination of Quorum.
- (d) Reading of minutes of the last previous Annual Meeting.
- (e) Election of directors.
- (f) Reports from officers.
- (g) Reports from committees.
- (h) Miscellaneous business.

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 a majority 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. Membership Meeting Notices. 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) calendar days but not more than sixty (60) calendar 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 to be filed with the Association by Article VIII, Section 3 of the Condominium Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association shall be deemed due notice.

Section 5. Quorum. The presence in person or by proxy of thirty-five (35%) percent of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically provided herein to require a greater quorum. The written ballot of

(f) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any apartment 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 and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of more than sixty (60%) percent of all of the members of the Association.

(h) To make rules and regulations in accordance with Article VI, Section 10 of the Condominium 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.

(k) The Board of Directors may employ for the Association a professional management agent 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 above, 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.

Section 4. Vacancies. Vacancies in the Board of Directors 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 Association.

Section 5. Recall. At any regular or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by affirmative vote of at least fifty-one (51%) percent of the entire membership and a successor may then and there be elected to fill any vacancy thus created. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

Section 6. First Meetings of Boards. The first meeting of a newly elected Board of Directors shall be held within ten (10) calendar days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no other notice shall be necessary to the newly elected Directors to constitute a duly called meeting.

Section 7. Regular Board Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, fax, telephone or email, at least ten (10) days prior to the date named for such meeting.

Section 8. Special Board Meetings. Special meetings of the Board of Directors may be called by the President on three (3) calendar days' notice to each Director, given personally, by mail, fax, telephone or email, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of

Section 4. President. The President shall be the chief executive officer of the Association. He/She shall preside at all meetings of the Association and of the Board of Directors. He/She shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to the power to appoint committees from among the members of the Association from time to time as he/she may in his/her discretion deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his/her 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 upon him/her by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of the meetings of the members of the Association; he/she shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and he/she shall, in general, perform all duties incident to the office of the Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He/She 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 depositaries as may, from time to time, be designated by the Board of Directors.

Section 8. Miscellaneous. 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

### 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 non-privileged Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be reviewed or audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does there need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The cost of any such review or audit and any accounting expenses shall be expenses of administration.

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

Section 3. Depositories. The funds of the Association shall be initially deposited in such credit unions, banks or with insured securities brokers or invested in federally insured securities as may be designated by the

2/3%) percent of all Co-owners. Notwithstanding any provision of the Condominium Documents to the contrary, mortgagees are entitled to vote only on amendments which are material to their interests as defined in the Michigan Condominium Act as amended from time to time.

Section 4. When Effective. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the County Register of Deeds.

Section 5. Binding. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium irrespective of whether such persons actually receive a copy of the amendment.

## ARTICLE XV

### COMPLIANCE

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

## ARTICLE XVI

### DEFINITIONS

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

## ARTICLE XVII

### REMEDIES FOR DEFAULT

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 and provisions of the Condominium Documents or the Act, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

(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 attorney fees incurred in obtaining their compliance with the Condominium Documents. In any proceeding arising because of an alleged default

- a. FIRST VIOLATION: No fine shall be levied.
- b. SECOND VIOLATION: Twenty-five Dollar (\$25.00) fine.
- c. THIRD VIOLATION: Fifty Dollar (\$50.00) fine.
- d. FOURTH VIOLATION AND SUBSEQUENT VIOLATIONS: One Hundred Dollar (\$100.00) fine.

(3) Continuing Violations. In the event that a violation continues beyond 10 days from the date of the offending Co-owner's hearing at which the Board determines that a violation has occurred, the continuing violation will be treated as a separate and subsequent violation and new and increased fines may be levied on each occasion of any subsequent violation determination without the necessity of a further hearing or hearings thereon.

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

Section 2. Nonwaiver Of Right. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, 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 aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

## ARTICLE XVIII

### 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.