

CAMDEN COURT CONDOMINIUM

AMENDED AND RESTATED CONDOMINIUM BYLAWS

(EXHIBIT "A" TO THE MASTER DEED)

ARTICLE I

ASSOCIATION OF CO-OWNERS

Section 1. Camden Court Condominium, a residential Condominium located in the City of Novi, County of Oakland, 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 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, Additional Assessments.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. The budget shall include amounts for assessments payable to the Camden Court Condominium Association under the Declaration and any amounts assessable for any community water systems which may now or in the future serve the Project. 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 monthly payment which is due not more than ten (10) days after such new annual or adjusted budget is adopted.

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.

If the Board of Directors at any time determines, in its sole discretion that the assessments levied are or may prove to be insufficient:

- (1) to pay the costs of operation, management, maintenance and repair of the Condominium;
- (2) to provide maintenance, repairs and/or replacements of existing Common Elements;
- (3) to provide additions to the Common Elements not exceeding Twenty Five Thousand Dollars (\$25,000.00), in the aggregate, annually, 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 or special assessment or assessments without Co-owner approval as it shall deem to be necessary.

The Board of Directors shall also have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 5 hereof. The discretionary authority of the Board of Directors to levy general and/or additional assessments pursuant to this subsection shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof 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.

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

- (1) assessments for additions to (and not repair or replacement of) the Common Elements of an aggregate cost exceeding Twenty Five Thousand Dollars (\$25,000.00);
- (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof;
- (3) assessments for any other appropriate purpose not elsewhere herein described.

Special assessments referred to in this subsection (but not including those assessments referred to in subsection 2(a) above which may be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty (60%) percent of all Co-owners in number and in value. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or 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 equally, 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 (but not additional or special assessments which shall be payable as the Board of Directors elects) 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 annual assessment are due on the first day of each month. 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 shall be assessed for any assessment in default paid more than fifteen (15) 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, fines 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 any 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 an additional 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 additional 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 in such amount as the Board shall determine, but not less than Five Hundred Thousand Dollars (\$500,000.00) per occurrence, 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 Certificates.** All such insurance shall be purchased by the Association 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.

(b) **Insurance of Common Elements.** All 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, excluding foundation and excavation costs but 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. The Association shall not be responsible in any way for maintaining insurance with respect to Limited Common Elements. 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 but not less than Five Hundred Thousand Dollars (\$500,000.00) per occurrence. 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.

Section 3. Co-owner Insurance Responsibilities. Each Co-owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the building and all other improvements constructed or to be constructed within the perimeter of his Condominium Unit and its appurtenant Limited Common Elements, if any) and for his personal property located therein or thereon or elsewhere on the Condominium Project. There is no responsibility on the part of the Association to insure any of such improvements whatsoever. All such insurance shall be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Co-owner shall deliver certificates of insurance to the Association not less than annually to evidence the continued existence of all insurance required to be maintained by the Co-owner hereunder. In the event of the failure of a Co-owner to obtain such insurance or to provide evidence thereof to the Association, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefore shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article II hereof.

Each Co-owner also shall be obligated to obtain insurance coverage for his/her personal liability for occurrences within the perimeter of his Unit and affecting appurtenant Limited Common Elements or the improvements located thereon (and if possible, naming the Association as insureds) and also for any other personal insurance coverage that the Co-owner wishes to carry. Such insurance shall be carried in such minimum amounts as may be specified by the Association and each Co-owner shall furnish evidence of such coverage to the Association annually if requested.

The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so. Co-owners may obtain supplementary insurance, but in no event shall any such insurance coverage undertaken by a Co-owner permit a Co-owner to withhold payment of the share of the Association assessment that relates to the equivalent insurance carried by the Association. The Association also shall not reimburse Co-owners for the cost of premiums resulting from the early cancellation of an insurance policy. To the extent a Co-owner does or keeps anything, or permits anything to be done or kept, on his/her Unit that will increase the rate of insurance, 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.

Section 4. Waiver of Rights of Subrogation. All property and liability insurance carried by the Association and the Co-owners shall contain appropriate provisions whereby the insurers waive their rights of subrogation as to any claims against any Co-owner and the Association.

Section 5. Indemnification. Each individual Co-owner shall indemnify and hold harmless every other Co-owner and the Association for all damages and costs, including legal fees which such other Co-owners or the Association may suffer as a result of defending any claim arising out of an occurrence on or within such individual Co-owner's Unit. Each individual Co-owner shall carry insurance to secure this indemnity if so required by the Association. This Section 5 shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner, however.

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) **General Common Elements.** In the event the damaged property is a Common Element the damaged property shall be rebuilt or repaired unless it is otherwise determined by two thirds vote of all of the Co-owners in the Condominium and all of the mortgagees.

(b) **Unit or Improvements Thereon.** If the damaged property is within a Unit or is a Limited Common Element or any improvements thereon, the Co-owner of such Unit alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property, and such Co-owner shall be responsible for any reconstruction or repair that he elects to make. The Co-owner shall in any event remove all debris and restore his Unit and the improvements thereon to a clean and attractive condition satisfactory to the Association and in accordance with the provisions of Article VI hereof as soon as reasonably possible following the occurrence of the damage. In the event that a Co-owner has failed to repair, restore, demolish or remove the improvements on the Co-owner's Unit under this Section, the Association shall have the right (but not the obligation) to undertake reasonable repair, restoration, demolition or removal and shall have the right to place a lien on the Unit for the amounts expended by the Association for that purpose which may be foreclosed as provided for in these Bylaws.

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 and 2/3rds percent of the Co-owners entitled to vote shall consent to do 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 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 cost 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 so as to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 4. 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.

Section 5. 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 in number and in value 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.

(e) **Applicability of the Act.** To the extent not inconsistent with the foregoing provisions, Section 133 of the Act shall control upon any taking by eminent domain.

Section 6. 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.

Section 7. 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"), Federal National Mortgage Association ("FNMA"), Government National Mortgage Corporation ("GNMA"), the Michigan State Housing Development Authority ("MSHDA"), or insured by the Veterans Administration ("VA"), Department of Housing and Urban Development ("HUD"), Federal Housing Administration ("FHA") or any private or public mortgage insurance program, then, upon request therefore, the Association shall give 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, held or insured by them exceeds \$1,000.00. Furthermore, the Association may, but is not obliged to inform any lender of such damages or condemnation actions.

RESTRICTIONS

Section 1. Construction and Improvements. All improvements made to any dwelling or its appurtenances which are visible from the exterior shall be in accordance with the then current architectural standards and subject to approval by the Architectural Control Committee, including the construction of a residence, walkway, driveway, deck, patio or garage, and the use and occupancy thereof shall comply fully with the architectural and building specifications and use restrictions set forth in these Bylaws, as set forth more specifically in this Article. Before construction of any residence or garage to be built in the Unit or any other improvements are made within a Unit, plans and specifications prepared and sealed by a licensed Michigan architect, including grading, site, landscaping and irrigation plans, showing the nature, size, shape, elevations, height, materials, color scheme and location shall be submitted to and approved by the Architectural Control Committee. In the instance of decks, walks, patios or drives, plans and specifications do not need to be prepared by a licensed architect or other professional, but such plans and specifications shall be submitted in such reasonable detail as the Board of Directors may require in order to be reviewed by the Architectural Control Committee. The requirements of this Section 1 are intended to create and perpetuate a beautiful and serene private residential condominium community consistent with the highest community standards.

Section 2. Residential Use. It is intended that 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. No Unit shall be used for any commercial, manufacturing, industrial or business purposes that create any nuisances or liability exposures, such as, but not limited to, customer/client/patient visits, noise, traffic or parking congestion, odors, vibrations or anything else that might detract from the peaceful and residential character of Camden Court. Subject to the foregoing and all other applicable restrictions, home offices are not necessarily forbidden. Timesharing and interval ownership is prohibited.

Section 3. Leasing and Rental.

(a) **Right to Lease.** A Co-owner may lease his/her Unit and residence for the same purposes set forth in Section 2 above provided the occupancy is only by the lessee and for a minimum of one year. No rooms in a residence 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.

(b) **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.

(c) **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).

Section 4. 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 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; 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 5. 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 Board of Directors, 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 6. Building Requirements and Specifications. The following building requirements and specifications must be observed.

(a) No building shall be constructed or permitted to remain on any Unit other than a single family residence. Out buildings, storage sheds, barns and the like are prohibited.

(b) All residences must have a private attached garage for not less than two (2) cars. The front elevation of the garage may not project further forward than the front elevation of the dwelling.

(c) No residence shall be more than two (2) stories high, and the maximum height of any residence regardless of the number of stories shall not exceed 35 feet.

(d) No residence shall have a living area of less than 1,400 square feet or more than 3,000 square feet. "Living area" as used in this section shall mean the area within the outer surface of the exterior walls but shall not include any garage, basement, chimney, deck, porch, patio or breezeways.

(e) No residence shall be constructed or located on any Unit except within the setbacks established in these Bylaws and consistent with City of Novi ordinances.

(f) All exterior lighting, including lamps, posts, and fixtures, for any residence or garage must receive prior written approval from the Architectural Control Committee. Any exterior lights mounted on lamp posts and all exterior garage lights must be installed to a photocell which will keep the lights on from dusk to dawn every day. Each garage must have two exterior lights, one on each side of the overhead garage vehicle door. No Co-owner shall in any way disconnect, modify, or in any way tamper with the exterior garage lighting or the photoelectric controls. The exterior lighting is a feature common to all garages and is intended to provide light to Common Elements despite individual metering to each Co-owner. All exterior lighting shall be sufficient to provide safe illumination without unreasonably interfering with neighboring dwellings.

(g) Deck and patios may only be constructed with the prior approval of the Architectural Control Committee. No deck or patio may be wider than the width of the building envelope. Where topography permits a dwelling may have both a deck and a patio as long as the area of a deck or patio does not exceed 750 square feet. Decks and patios may only be installed with the approval of, and a permit from, the City of Novi. Every dwelling shall have a front porch.

(h) Acceptable masonry materials are: brick (including reclaimed brick), fieldstone and quarry stone. Cinder block as an exterior finish is prohibited. So called "cultured stone" and panel brick may be used as exterior finishes, provided that prior approval has been obtained from the Architectural Control Committee.

(i) Asbestos siding is prohibited, Only Hardi Plank siding manufactured by James Hardie Siding Products may be used; however, if Hardi Plank siding is no longer reasonably available, a substitute product of similar quality may be used if approved by the Architectural Control Committee.

(j) Except as may be permitted by, and in the sole discretion of; both of the appropriate officials of the City of Novi and the Architectural Control Committee, no residence, building or other structure shall be placed, erected, altered or located on any Unit nearer to the front, side or rear line of any Unit than is permitted by the ordinances of the City of Novi.

(k) No flat roofs shall be permitted on the main body of any dwelling or other structure. Flat roofs may be installed over Florida rooms, porches or patios with the approval of the Architectural Control Committee.

(l) The roof of each dwelling and garage shall have a minimum pitch of 6/12 (vertical/horizontal).

(m) All driveways must be completed as soon as possible after occupancy and in any event no later than six (6) months after initial occupancy of the dwelling.

(n) White, off-white and cream-colored covering or shingle materials are prohibited. Rolled sheet goods roofing materials may not be used as a final finish for a roof. All other shingle and roofing materials are subject to approval of the Architectural Control Committee.

Section 7. Architectural Control Committee. There shall be an Architectural Control Committee.

(a) The purpose of this Committee is to assure that the Condominium is developed and maintained in a beautiful and professional manner consistent with high quality and uniform standards. In the event of death or resignation of any member of the Committee, the Board of Directors shall have the sole authority to designate a successor. The members of the Committee shall not receive any compensation and shall be appointed by the Board of Directors. All decisions of the Committee shall be subject to the ultimate approval or disapproval of the Board of Directors.

(b) Before constructing any condominium residence with attached garage or making any exterior improvement, change, or elevation change upon any Unit, a Co-owner shall receive the written approval of the Architectural Control Committee. No application for a building permit or application for any other governmental approval or construction shall be filed until written approval of the Committee is received. The Committee shall approve in advance the licensed residential builder engaged by the Co-owner to construct a residence and other improvements on his or her Unit. The Committee may require that such builder or Co-owner furnish to the Association adequate security, in the Committee's sole discretion, to protect the Association against costs and expenses which it might incur in connection with the failure to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the residence and its improvements and to protect the Common Elements from damage.

(c) A Co-owner intending to construct any residence, improvement, deck, patio, garage or structure or intending to change the exterior or elevation of any Unit shall submit to the Architectural

Control Committee plans and specifications, including site, grading, utility, garage, landscape and irrigation plans (if applicable), prepared and sealed by an architect registered in the State of Michigan (if applicable in the case of residences, garages or similar structures), showing the size, nature, kind, type and color of brick, shape, elevations, facade, height and materials, color scheme (including, but not limited to, stain and paint colors), location, and the approximate cost of such improvement. A copy of the plans and specifications, as finally approved, may be kept permanently with the Association's property manager or elsewhere as determined by the Board of Directors. In addition to the other requirements of Article VI, items requiring the written approval of the Committee include; but are not limited to, the following: Landscaping, substantial plantings and permanent playground equipment.

(d) In no event shall the Committee have any personal liability for its actions, and approval of any plans shall not be considered to be an evaluation, recommendation or guaranty of the soundness or adequacy of the plans. In considering any plans and specifications, the Committee may take into consideration any of the following: (1) the suitability and aesthetic quality of the proposed building or other structure to be built, (2) the site upon which it is proposed to erect the same, (3) the compatibility of the planned structure with the adjacent or neighboring residences, (4) whether the proposed improvement will impair the structural integrity of a residence or Common Elements, (5) whether the proposed improvement would create a nuisance or annoyance to surrounding Co-owners and (6) the impact on the overall standards and appearance of the Condominium.

(e) The Architectural Control Committee shall have thirty (30) days after the receipt of all required plans and specifications to issue a written approval or denial. If the Committee fails to issue a written approval or denial of the plans and specifications within the thirty (30) day period then written approval shall be requested from the Board of Directors. **The Board shall reply in writing within thirty (30) days after receipt of such request, failing which, the request shall be deemed denied.** No failure on the part of the Committee or the Board to timely respond shall constitute approval under any circumstances.

Section 8. Unit and Dwelling Maintenance and Aesthetics.

(a) No Unit shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. Garbage and trash shall be kept only in sanitary containers within each Co-owner's garage and may not be put out for collection any earlier than the evening before the day scheduled for collection.

(b) Fences, walls or solid hedges may be erected or maintained on any Unit subject to the requirements of local ordinance or other governmental regulation and subject to the approval of the Association. Before such a fence or wall is installed (i.e., for a hot tub), the Co-owner shall obtain the express written consent of the Architectural Control Committee which shall have the absolute discretion (**subject to any final decision of the Board of Directors**) to determine the suitability of the location, design, shape, height, size and materials for any required fence, wall, or solid hedge. In the circumstances where a fence is permitted under this subsection it may not in any event be a chain link fence. Chain link fences are prohibited under all circumstances.

(c) The design, material, color and construction of all mailboxes and mailbox stands shall be as required by postal authorities and approved by the Architectural Control Committee.

(d) Hot tubs may be installed if permitted by the City of Novi and the Architectural Control Committee. Hot tubs may *only* be installed in the deck or patio as limited in subsection 5(g). Any Co-owner desiring to construct or install a hot tub must submit to the Architectural Control Committee a detailed description and proposed layout showing size, location, materials, shape, landscaping, fencing, screening, and type of construction. The Architectural Control Committee shall have absolute discretion (**subject to any final**

decision of the Board of Directors) to approve or disapprove any proposal and may attach any conditions which it deems appropriate. Any approved hot tubs must be maintained by the Co-owners in a safe and clean condition and must also be maintained in appearance consistent with the standards of the Condominium.

(e) In-ground pools may be installed, subject to the prior approval of the Architectural Control Committee. Above-ground and freestanding swimming pools are prohibited. Any approved pools must be maintained by the Co-owners in a safe and clean condition and must also be maintained in appearance consistent with the standards of the Condominium.

(f) No unsightly condition shall be maintained upon any deck or patio, and only furniture and equipment consistent with ordinary deck or patio use shall be permitted to remain there during seasons when decks or patios are reasonably in use, and no furniture or equipment of any kind shall be stored on decks or patios during seasons when such areas are not reasonably in use. No furniture or equipment may be placed out on decks or patios before April 1, and all furniture and equipment shall be removed and stored inside by November 1 of each year. Provided, however, that the preceding sentence shall not apply so long as such items are covered with a solid earth tone covering or other colors as approved by the Board of Directors.

(g) Each Co-owner shall maintain his or her Unit, dwelling and any Limited Common Elements for which he or 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, gas, plumbing, electrical or other utility conduits and systems and any other elements 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/her, or his/her family, guests, agents, contractors 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.

(h) 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.

(i) In general, no activity shall be carried on, nor a condition maintained by a Co-owner either in his/her Unit or upon the Common Elements, which spoils the appearance of the Condominium.

(j) Sidewalks, yards, landscaped areas, driveways, roads and parking areas shall not be obstructed in any way, nor shall they be used for purposes other than that for which they are reasonably and obviously intended. No personal items may be left unattended on or about the Common Elements.

(k) No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium Premises.

(l) No signs, billboards or other advertising devices of any kind shall be displayed or located on a Unit or on the Common Elements, including "For Sale" signs, except that one (1) "For Sale" sign may be placed in the window of a dwelling and/or on the lawn and signs may be displayed for not over twenty four hours for events such as birthdays, new baby, garage sales. **No signs shall exceed** two feet by three feet in size and shall not be made of poster board, paper or similar materials and shall not have any balloons attached.

(m) Burning of trash waste or leaves is not permitted in the Project.

(n) Satellite dishes and antennas are subject to the approval of the Architectural Control Committee in a manner consistent with Federal Communications Commission regulations.

(o) No outside claxons or sirens may be maintained on any dwelling or outbuilding as part of an alarm or security system. All such devices must be placed inside the dwelling.

(p) Picket and wrought iron fences may be allowed, but the design and materials must be approved by the Architectural Control Committee.

Section 9. Utilities; Drainage; Grading; Access.

(a) All public utilities such as water mains, sanitary sewers, storm sewers, gas mains, electric and telephone local distribution lines, cable television lines, and all connections to same, either private or otherwise, shall be installed underground. However, above ground transformers, pedestals and other above ground electric and telephone utility installations and distribution systems and surface and off-site drainage channels and facilities, as well as street lighting stanchions, shall be permitted.

(b) The grade of any Unit in the Condominium may not be changed from the Grading Plan prepared by Spalding/DeDecker & Associates, Inc "as part of the Engineering Plan and approved by the City of Novi. The Grading Plan may be subsequently amended from time to time as conditions require and subsequently approved by the City of Novi without the written consent of the Architectural Control Committee and any governmental authority having jurisdiction.

(c) It shall be the responsibility of each Co-owner to maintain the surface drainage grades of his/her Unit as established by the Developer. Each Co-owner covenants that **he/she will** not change the surface grade of his/her Unit in a manner which will materially increase or decrease the storm water flowing onto or off of his/her Unit and will not block, pond or obstruct surface water. The Board of Directors of the Association shall enforce this covenant and shall charge the costs of the correction to the Owner and such costs shall be a lien upon the Unit. Over watering of lawns, as determined in the sole discretion of the Board of Directors, is prohibited.

Section 10. Pets and Animals. The following restrictions shall apply to pets and animals:

(a) No more than two animals may be maintained on a Unit or in a dwelling without approval of the Association. Any **additional** pet must be approved by the Board of Directors which approval may be withheld in the discretion of the Board. The term "pet", for the purpose of this Section 10, shall not include fish or small birds. All animals must be cared for and restrained so as not to be obnoxious or offensive on account of, by way of illustration and not as limitation, excessive or persistent barking, odor, or unsanitary conditions. No animal may be kept or bred for any commercial purpose. 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 pets may be "tied out" on the Common Elements. While on the Common Elements, all animals shall be restrained on a leash not to exceed ten (10) feet in length. When on the Common Elements, all animals must be accompanied by the owner or other responsible adult. No savage or dangerous animal shall be kept in the Condominium. Any Co-owner who causes any animal to be brought or kept within the Condominium shall indemnify and hold the Association harmless 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 Board has given its permission therefore. Each Co-owner shall be responsible for the collection and disposition of all fecal matter deposited by any animal maintained by such Co-owner, 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 Board determines such assessment

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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 Board shall have the right to adopt such additional reasonable rules and regulations with respect to animals as it may deem proper.

(b) Stray animals and wild animals shall not be fed or housed by Co-owners, nor shall Co-owners allow any condition to exist within their dwelling, on their Unit or the Common Elements, limited or general, appurtenant to their Units, which may attract stray or wild animals.

(c) In the event of any violation of this Section, the Board of Directors of the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted rules and regulations of the Association.

Section 11. Vehicles and Parking. The following restrictions shall apply to vehicles:

(a) Co-owners must park all of their vehicles on the driveway or garage and shall not block any sidewalks.

(b) Any guest vehicles parked on the General Common Elements must be moved not less than every 48 hours or they will be deemed abandoned and subject to removal by the Association at the expense of the guest's host Co-owner.

(c) No Unit which abuts Novi Road or Thirteen Mile Road shall have a driveway directly onto Novi Road or Thirteen Mile Road. All vehicle access to Novi Road and Thirteen Mile Road shall be over the Project roads.

(d) Any unlicensed or non-operative vehicle parked within the Condominium Premises for more than 48 hours will also be deemed abandoned and subject to removal at the expense of the owner.

(e) No vehicle repair, non-emergency maintenance or similar repairs are allowed on the Common Elements or Units, except within the garages of the Units.

(f) Washing or polishing of vehicles may only be undertaken in the garage or on the driveway appurtenant to the Co-owner's Unit.

(g) No vehicles may be parked, stored or maintained on any lawn areas within the Condominium Premises, including the lawns within any Units.

(h) Any damage to the Condominium Premises or Project caused by violation of these vehicle restrictions are the responsibility of the Co-owner who owns the vehicle or the Co-owner of the Unit which the operator/owner of the vehicle is visiting.

(i) No motorcycles, house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, all-terrain vehicles, snowmobiles, snowmobile trailers or commercial vehicles, other than automobiles or vehicles used primarily for general personal transportation purposes, may be parked or stored on the Condominium Premises except in the garage appurtenant to a Co-owner's Unit.

(j) If the prior written approval of the Board has been obtained, a Co-owner may park a vehicle of the type listed in subparagraph (i) above, on the Condominium Premises for a period not to exceed 72 consecutive hours not more than once per month.

Section 12. Rules and Regulations. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Condominium may be proposed from time to time by the Board of Directors of the Association; no regulations shall become effective unless approved by at least fifty percent (50%) of the co-owners eligible to vote. Approval may be accomplished by mail balloting without the necessity of a meeting. 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.

Section 13. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit (but not any dwelling) 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, to another Unit, to another dwelling 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. 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, to another Unit, to another dwelling 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 also have a right of access to any Unit and dwelling for the purpose of assuring compliance with the Project Documents. This provision shall not however, entitle the Association to access to a dwelling built upon a Unit, except with reasonable advance written notice to the Co-owner.

Section 14. Landscaping

(a) No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the General Common Elements without the prior written approval of the Board of Directors. Any landscaping installed by the Co-owner pursuant to this Section shall be maintained by the Co-owner and the Association shall have no responsibility for its maintenance.

(b) Lawns shall be installed as soon as is practical after occupancy.

(c) Each lawn must be watered as may reasonably be required to keep it in good condition.

(d) Foundation plantings shall be installed as soon as practical after completion of construction and shall be in conformity with the minimum specifications **originally established by the original Developer.**

(e) All fencing shall be installed in a manner, and be of a design, which is consistent with the Revised Area Plan incorporated in the Planned Unit Development Agreement, as amended. All fences must be adequately maintained, repaired and/or replaced failing which, the Board of Directors shall issue written notice of the work required which, if not completed by the Co-owner within the time specified, may be performed by the Association at the expense of the Co-owner. In particular, Section 2A of the Single Family Residential Code provides:

(1) Fences must be of wood pattern or wrought iron pattern picket design.

(2) Fences must be constructed of wood or similar material approved by the Architectural Control Committee.

Section 15. Non-Disturbance of Wetlands and Wetland Setback Areas. Some of the land within the Condominium may be a wetland which is protected by federal, state or local law. Under the provisions of the Natural Resources and Protection Act, 1994, Public Act 451, as amended (the "Act") and local ordinances, any disturbance of a wetland by depositing material in it, dredging or removing material from it, or draining water from the wetland may be done only after a permit has been obtained from the Department of Environmental Quality (or its administrative successor) and/or the City of Novi.. The penalties specified in the Act and local ordinances are substantial. In order to assure no inadvertent violations of the Act and local ordinances occur, no co-owner may disturb the wetlands without obtaining: (1) Written authorization of the Association; (2) any necessary municipal permits; and (3) any necessary state permits. The Association may assess fines and penalties as provided for in these Bylaws for violation of this Section. If a Co-owner installs any landscaping or other improvements in the wetlands area pursuant to the authorization required by this Section, he or she shall be solely responsible for its maintenance, repair and replacement. In addition to enforcement by the Association or Co-owners as provided for under these Bylaws, this restriction shall be enforceable by the City of Novi or any other public agency charged with protection of wetlands. Co-owners shall comply with all provisions of the City of Novi Wetland Ordinance, as amended from time to time. The Ordinance provides, in part, as of the date of the recording of this Master Deed, that a twenty-five (25) foot setback is upland of a Wetland Area ("Wetland Setback") be maintained in a natural and undeveloped condition. So long as required by law, Co-owner's shall observe and comply with existing regulations as regards any Wetlands Setback. Any Co-owner wishing to undertake any activity in any Wetland Setback that would cause any disturbance thereof, must, if required by the Ordinance, obtain a permit or express written consent from the City of Novi. This Section is for the benefit of and may be enforced by, the City of Novi, Amendment of this Section 18(a) is prohibited without the express written consent of the City of Novi.

Section 16. 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 12 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.

ARTICLE VII

LIBER 38935 PG 25

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 may 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, upon its own volition or upon request..

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. Except as limited in these Bylaws, 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. 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 5. Majority. A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent 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, 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 April 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 X 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) Reports from officers.
- (f) Reports from committees.
- (g) Election of directors.
- (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.

Section 7. Minutes; Presumption of Notice and Truthfulness. The Minutes of any membership meeting, when signed by the President or Secretary, shall be presumed to truthfully set forth and evidence the matters set forth therein. A recitation in the Minutes that the notice of the subject meeting was properly given shall be deemed to be *prima facie* evidence that such notice was properly given.

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 and a full time resident at the Project 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.

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 and to obtain and verify appropriate insurance certificates for all contractors.

(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 seventy-five (75%) percent of all of the members of the Association.

(h) To make rules and regulations in accordance with Article VI, Section 12 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 her/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 employee dishonesty insurance purchased by the Association. The premiums on such bonds and insurance shall be expenses of administration. Such bonds and/or insurance 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 XIOFFICERS

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. Any person removed from office shall remain as a director.

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 depositories 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 XIIFINANCE

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 who shall be certified public accountants. 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 and shall be appropriately filed with the Internal Revenue Service.

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. The Association shall indemnify any person who was or is party or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, other than an action by or in the right of the Association, by reason of the fact that he or she is or was a Director, Officer, or employee of the Association, against expenses, including attorneys' fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association or its members, was not guilty of willful and wanton misconduct or gross negligence and, with respect to a criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association or its members and, with respect to a criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful or was not guilty of willful and wanton misconduct or gross negligence; provided, however, that, in the event of any claim for reimbursement or indemnification hereunder based upon settlement by the Director, Officer or other person seeking such reimbursement or indemnification, the indemnification provided for herein shall apply only if the Board of Directors (with the person seeking reimbursement or indemnification abstaining) approves such settlement and reimbursement or indemnification as being in the best interest of the Association. The foregoing right of reimbursement or indemnification shall be in addition to and not exclusive of other rights to which such Director, Officer or other person may be entitled. At least ten days prior to payment of any reimbursement or indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof.

The Association shall indemnify any person who was or is party or is threatened to be made a party to a threatened, pending or completed action or suit in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a Director, Officer, or employee of the Association, against expenses, including attorneys' fees and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action or suit, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association or its members and was not guilty of willful and wanton misconduct or gross negligence. Indemnification shall not be made for a claim, issue or matter in which the person has been found to be liable to the Association except as provided in Section 564c of the Business Corporation Act.

Section 2. Directors and Officers Liability Insurance. The Association shall provide directors and officers 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. 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 in number and in value. 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

LIBER 38935 PG 633

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 of the provisions of the Condominium Documents, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, by any Co-owner, in addition to the rights set forth above, shall be grounds for assessment by the Association of a monetary fine for such violation in accordance with Article XVIII hereof.

Section 2. Non-waiver of Right. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, 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

FINES PROCEDURES

Section 1. 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.

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

(1) **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.

(2) **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.

(3) **Default.** Failure to respond to the notice of violation constitutes a default.

(4) **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. Written notice of the Board's determination shall be sent to the co-owner within twenty days after the hearing.

(b) **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:

(i) FIRST VIOLATION: No fine shall be levied.

(ii) SECOND VIOLATION: Twenty-five Dollar (\$25.00) fine.

(iii) THIRD VIOLATION: Fifty Dollar (\$50.00) fine.

(iv) FOURTH VIOLATION AND SUBSEQUENT VIOLATIONS: One Hundred Dollar (\$100.00) fine.

(v) CONTINUING VIOLATIONS: The Board of Directors shall have sole discretion in determining the interval of time between separate violations and 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.

Section 2. Collection. The fines levied pursuant to this Article XVIII 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 month following issuance of the Board's determination. 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 of the Bylaws.

ARTICLE XIX

SEVERABILITY

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