

Northwood Lake Condominium

BY-LAWS

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EXHIBIT A

BY-LAWS

NORTHWOOD LAKE CONDOMINIUM

ARTICLE I - ASSOCIATION OF CO-OWNERS

Northwood Lake Condominium, a residential Condominium Project located in the Village of Cass City, Tuscola County, Michigan, shall be administered by an Association of Co - owners which shall be a non-profit corporation, hereinafter called the "Association ", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation, and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These By-laws shall constitute both the condominium By-laws referred to in the Master Deed and required by Section 3 (8) of the Act and the Association By-laws provided for under the Michigan Non-profit Corporation Act. Each Co-Owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co- owner in the funds and assets of the Association cannot be assigned, pledged, or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. It shall further be the responsibility of the Association to establish a program to cover re-sales, by contacting new members to determine if they have sufficient information regarding Condominium Rules and Regulations, by having realtors contact the Board regarding status of unit to be sold and have on file the necessary information regarding new mortgages. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid condominium Documents.

ARTICLE II – ASSESSMENTS

- Section 1. Assessments against Units and Co-owners - All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the Condominium Documents and the Act shall be levied by the Association against the Units and the Owners thereof in accordance with the following provisions.
- Section 2. Assessments for Common Elements - All costs incurred by the Association in satisfaction of any liability arising with, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to,

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

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

- (a) Budget - The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management, and, maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs, and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 4 below rather than by special assessments. At a minimum the reserve fund shall be equal to 10% of the Association's current annual budget on a non-cumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Association of Co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be mailed to each Co-owner and the assessment for said year shall be established based upon said budget. Whether or not a copy of the budget is mailed to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. The Board of Directors may not levy any assessments for expenditures estimated to cost more than \$1,000.00 and not authorized in the Budget without ratification by a vote of at more than 50% of the Co-owners. Should the Board of Directors, at any time determine, at the Sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding \$1,000.00 annually for the entire Condominium Project, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessments as it shall deem to be necessary. The Board of Directors also shall have the authority to levy assessments pursuant to the provisions of Article V, Section 4 hereof. The 2 discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association of the members thereof. However, if additional funds are required

the Co-owners by a vote of over 50% shall determine the method of payment
(1) Increase in monthly dues or (2) Special assessment.

- (b) Special assessments - Special Assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to (1) assessments for additions to the Common Elements of a cost exceeding \$1,000.00 for the entire Condominium Project per year, (2) assessment to purchase a Unit upon foreclosure of the lien for assessments described in Section 6 hereof, (3) assessments to purchase a Unit for use as a resident manager's Unit, or (4) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 3 (a) above, which shall be levied without the prior approval of more than 60% of all Co-owners in number and in value. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof.

Section 4. Apportionment of Assessments and Penalty for Default - Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 3 (a) above shall be payable by Co-owners in 12 equal monthly installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. A late charge of 10.004% shall be assessed automatically by the Association upon any assessments in default for more than 10 days until such installment together with the applicable late charges are paid in full. Late charges compensate the association for the added bookkeeping expense of tracking late payments and is not intended as a penalty. No late charge may be assessed unless rules and regulations establishing such late charge has first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in same manner as prescribed in Article IX, Section 4 of these By-laws. Each Co-owner (whether 1 or more persons) shall be, and remain, personally liable for the payment of all assessments and costs of collection and enforcement of payment pertinent to his Unit which may be levied while such Co-owner is the owner thereof. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including 3 reasonable attorneys' fees; second, to any interest

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

Section 5. Waiver of Use of Abandonment of Unit - No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

Section 6. Enforcement

(a) Remedies - In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon 10 days written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. The Association will also assess fines for late payment or non-payment of assessments in accordance with the provisions of Article XVIII, Section 4 of these By-laws. All of these remedies shall be cumulative and not alternative.

(b) Foreclosure Proceedings - Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action any by advertisement, as the same maybe amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title of such Unit, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently, and knowingly waived notice 4 of any proceedings brought by the

Association to foreclose by advertisement the lien for non-payment of assessments and a hearing on the same prior to the sale of subject Unit.

- (c) Notice of Action - Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner (s) at his or their last known address, of a written notice that 1 or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within 10 days after the date of mailing. Such written notice shall be accompanied by a written affidavit, of an authorized representative of the Association that sets forth; (1) the affiant's capacity to make the affidavit, outstanding (exclusive of interest, cost, attorney fees and future assessments, (2) the legal description of the subject Unit(s), and (3) the name(s) of the Co-owners(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in the County in which the Project is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the 10-day period, the Association may take such remedial action as may be available to it hereunder or under Michigan Law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.
- (d) Expenses of Collection -The expenses incurred in collecting unpaid assessments, including interest, cost, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit.

Section 7. Liability of Mortgagee - Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit).

Section 8. Property Taxes and Special Assessments - All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act. 5

Section 9. Personal Property Tax Assessment of Association Property - The Association shall be assessed as the person or entity in possession of any tangible personal property of the

Condominium owned or possessed in common by the Co-Owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 10. Mechanic's Lien - A mechanic's lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

Section 11. Statement as to unpaid Assessments - The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessment as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied, provided, however, that the failure of a purchaser to request such statement at least 5 days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE III – ARBITRATION

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

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

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

ARTICLE IV - INSURANCE

Section 1. Extent of Coverage - The Association shall carry fire and extended coverage, vandalism, and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements and certain other portions of the Condominium Project, as set forth below, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

- (a) Responsibilities of the Co-owners and Association. All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates for mortgagee endorsements to the mortgagees for Co-owners. Each Co-owner may obtain insurance coverage at his own expense upon his Unit. It shall be each Co-owner's responsibility to determine by personal investigation or from his own insurance advisors the nature and extent of insurance coverage adequate to his needs and thereafter to obtain coverage for his personal property and any additional fixtures, equipment, and trim (as referred to in subsection (b) below) located within his Unit or elsewhere on the Condominium and for his personal liability for occurrences within his Unit or upon Limited Common Elements appurtenant to his Unit, and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverage. The Association, as to all policies which it obtains, and all Co-owners, as to all policies which they obtain, shall use their best efforts to see that all property and liability insurance carried by the Association and any Co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.
- (b) Insurance of Common Elements and Fixtures. All common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall be effected upon an agreed-amount basis for the entire Condominium Project with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total project destruction if the insurance proceeds failed, for some reason, to be equal to the total cost of replacement). All information in the Association's records regarding insurance coverage shall be made available to all Co-owners upon request and reasonable notice during

normal business hours so that Co-owners shall be enabled to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly constituted meeting to change the nature and extent of any applicable coverage, if so determined. Upon such annual re-evaluation and effectuation of coverage, the Association shall notify all Co-owners of the nature and extent of all changes in coverage. Such Coverage shall also include interior walls within any Unit and the pipes, wire, conduits, and ducts contained therein and shall further include all fixtures, equipment, and trim within a Unit which were furnished with the Unit as standard items in accord with the plans and specifications thereof as are on file with the local unit of government in which this Project is located (or such replacements thereof as do not exceed the cost of such standard items). It shall be each Co-owners' responsibility to determine the necessity for and to obtain insurance coverage for all fixtures, equipment, trim and other items or attachments within the Unit or any Limited Common Elements appurtenant thereto which were installed in addition to said standard items (or as replacements for standard items to the extent that replacement cost exceeded the original cost of such standard items) whether installed originally by the Developer or subsequently by the Co-owner, and the Association shall have no responsibility whatsoever for obtaining such coverage unless agreed specifically and separately between the Association and the Co-owner in writing.

- (c) Premium Expenses. All premiums upon insurance purchased by the Association pursuant to these By-laws shall be expenses of administration.
- (d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Co-owners and their mortgagees, as their interests may appear, provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these By-laws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction.

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

and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE V - RECONSTRUCTION OR REPAIR

Section 1. Determination to Reconstruct or Repair - If any part of the Condominium Premises shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner.

- (a) Partial Damage. If the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by a unanimous vote of all the Co-owners in the Condominium that that condominium Unit shall be terminated.
- (b) Total Destruction. If the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt unless 80% or more of the Co-owners in value and in number agree to reconstruction by vote or in writing within 90 days after the destruction.

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

Section 3. Co-owner Responsibility for Repair

- (a) Definition of Co-owner responsibility - If the damage is only to a part of the Unit which is the responsibility of the Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with subsection (b) hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.
- (b) Damage to Interior of Unit. Each Co-owner shall be responsible for the reconstruction, repair, and maintenance of the interior of his Unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any Common Elements therein), interior trim, furniture, light fixtures, and all appliances, whether free-standing or built in. In the event damage to interior walls within a Co-owner's Unit or to pipes, wires, conduits, ducts, or other Common Elements therein, or to any fixtures, equipment and trim which are standard items within a Unit is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association, in accordance with Section 4 of this Article V. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of

insurance relative thereto, and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

- Section 4. Association Responsibility for Repair - Except as provided in Section 3 hereof, the Association shall be responsible for the reconstruction, repair, and maintenance of the Common Elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair, and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay hesitated or actual cost of repair.
- Section 5. Timely Reconstruction and Repair - If damage to Common Elements or a Unit adversely affects the appearance of the Project, the Association or Co-owner is responsible for the reconstruction, repair, and maintenance thereof, shall proceed with replacement of the damaged property without delay, and shall complete such replacement within 6 months after the date of the occurrence which caused damage to the property. (Subject to availability of materials).
- Section 6. Eminent Domain - Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:
- (a) Taking of 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 Co-owner and his mortgagee, they shall be divested of all interest in the Condominium Project. 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 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 10 more than 50% 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 Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of 100%. Such amendment may be affected 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.
- (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 shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 7. Notification of FHLMC - In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefore by FHLMC, the Association shall give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium, if the loss or taking exceeds \$10,000.00 in amount or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00.

Section 8. 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.

ARTILCE VI – RESTRICTIONS

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

Section 1. Residential Use - No Unit in the Condominium shall be used for other than single-family residence proposes (except that persons not of the same immediate family residing together may occupy a Unit with written consent of the Board of Directors which consent shall not be unreasonably withheld) and the Common Elements shall be used only for purposes consistent with the user of single-family residences. A family shall mean one person or a group of two or more persons related by bonds of consanguinity, marriage or legal adoption.

Section 2. Leasing and Rental

- (a) Right to Lease - A Co-Owner may lease his Unit for the same purposes set forth in Section I of Article VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b) below. With the exception of a lender in possession of a Unit following default of a first mortgage, foreclosure, or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium and no tenant shall be permitted to occupy except under a lease with initial term of which is at least six months, unless specifically approved in writing by the Association, or be deemed to incorporate, all of the provisions of the Condominium Documents.
- (b) Leasing Procedures. The leasing of Units in the Project shall conform to the following provisions:
 - (1) A Co-owner desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least ten days before presenting a lease form to a potential lessee of the Unit and at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents.
 - (2) Tenants or non-Co-owner occupants shall comply with all of the conditions of the Condominium Documents of the Condominium Project and all leases and rental agreements shall so state.
 - (3) If the Association determines that the tenant or non-Co-owner's occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:
 - (i) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant.
 - (ii) The Co-owner shall have 15 days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that the violation has not occurred.
 - (iii) If after 15 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association 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 provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant the Co-owner liable for damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or

Condominium Project and for actual legal fees incurred by the Association in connection with legal proceedings hereunder.

- (4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant. The form of lease used by any Co-owner shall explicitly contain the foregoing provisions.

Section 3. Alteration and Modifications - No Co-owner shall make alterations in exterior appearance or make structural modifications to his Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, Limited or General, without the express written approval of the Board of Directors, including without limitation exterior painting or the erection of lights, awnings, doors, shutters, newspaper holders, mailboxes, basketball backboards, or other exterior attachments or modifications. No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler systems valves, 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 of any nature that restrict such access and will have no responsibility for repairing, replacing, or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, not shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access.

Section 4. Antennas: - It shall be permissible for Co-owners to cause to be installed television antennas, or to install a satellite dish as per Federal Communication commission restrictions upon obtaining all necessary local permits and inspections required providing, however that any damage or expense to the Common Elements or to the Association resulting from such installation shall be borne by the Co-owner performing or authorizing such installation. The Board of Directors may approve such modifications that do not impair the soundness, safety, utilities, or appearance of the Condominium.

Section 5. Activities - No immoral, improper, unlawful, or offensive activity shall be carried on in any Unit or upon the Common elements, Limited, or General, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly

prohibited include, but are not limited to, the following: Any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

- Section 6. Pets - No animals, except one dog or one cat, shall be maintained by any Co-owner unless specifically approved in writing by the Association. No animal may be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor, or unsanitary conditions. Animal feces must be picked up and disposed of as soon as deposited. 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, Limited or General. No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage, or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefore. No dog whose barking can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these By-laws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper.
- Section 7. Aesthetics - The Common elements, Limited, or General, shall not be used for storage or supplies, materials, personal property, or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Garage doors shall be kept closed at all times as may be reasonably necessary to gain access to or from any garage. No unsightly condition shall be maintained on any patio, porch, or deck and only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use.
- Section 8. Vehicles - Vehicles may not be permanently parked on the cul-de-sacs at the end of the Condominium road system. Vehicles are not to be driven or parked off the roadway system onto the grass without prior board approval. No house trailers, commercial vehicles, boat trailer, boats, camping vehicles, camping trailers, motorcycles, all-terrain vehicles, snowmobiles, snowmobile trailers, or vehicles other than automobiles or vehicles used primarily for general personal transportation use, may be parked or stored upon the premises of the Condominium, unless parked in an area specifically designated therefore by the Association. No inoperable vehicles of any type may be brought or stored upon the Condominium Premises either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business.

Co-owners shall, if the Association shall require, register with the Association all cars maintained on the Condominium Premises.

- Section 9. Advertising - No signs or other advertising devices of any kind shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, without written permission from the Association. The Association may grant permission for an annual Garage Sale, with the time and dates, determined by the Board of Directors.
- Section 10. Rules and Regulations - It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these By-laws concerning the use of the Common Elements may be made, amended, or revoked by any Board of Directors. Any such regulations may be revoked by the affirmative vote of more than 50% of the Co-owners at an annual meeting or a special meeting called for that purpose. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners; however, the failure of the association to furnish the rules, regulations or amendments to a co-owner shall not be asserted as a defense or excuse for failure to comply.
- Section 11. Right of Access of Association - The Association or its duly authorized agents shall have access to each Unit and 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 the times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-owner to provide the Association means of access to his Unit and any Limited Common Elements appurtenant thereto during all periods of absence, and in the event of the failure of each 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 his Unit and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.
- Section 12. Landscaping - No Co-owner shall perform any landscaping or plant any trees, shrubs, or flowers or place any ornamental materials upon the Common Elements without the prior written approval of the Association. A limit of five flower pots are allowed inside the stones that surround the Condominium perimeter, and shall in no way interfere with maintenance of the Condominium Association maintenance crew.
- Section 13. Common Element Maintenance - Sidewalks, yards, landscaped areas, driveways, roads, parking areas, and porches shall not be obstructed nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs, or other obstructions may be left unattended on or about the Common Elements.

- Section 14. Co-owner Maintenance - Each Co-owner shall maintain his Unit and any Limited Common elements appurtenant thereto for which he has maintenance responsibility in a safe, clean, and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing electrical, or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guest, agents, or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any cost or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.
- Section 15. Enforcement of By-laws - The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private residential community for the benefit of the Co-owners and all persons interested in the Condominium.

ARTICLE VII – MORTGAGES

- Section 1. Notice to Association - A Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Unit.". The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within 60 days.
- Section 2. Insurance - The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.
- Section 3. Notification of Meetings - Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

ARTICLE VIII – VOTING

- Section 1. Vote - Except as limited in these By-laws, each Co-owner shall be entitled to one vote for each Condominium Unit owned when voting by number and one vote, the value of which shall equal the total of the percentages allocated to the Unit owned by such Co-owner as set forth in Article V of the Master Deed, when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number.
- Section 2. Eligibility to Vote - No Co-owner shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Article VIII, Section 3 or by proxy signed by such individual representative.
- Section 3. Designation of Voting Representative - Each individual Co-owner who is a natural person shall automatically be the designated voting 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 unless such person shall give written notice of another person designated as his voter representative. All other co-owners shall file a written designation of a vote representative with the association. Such notice shall state the name and address of the individual representative designated, the number or numbers the Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, association, trust, or other legal entity who is the Co-owner. Such notice shall be signed and dated on behalf of the Co-owner. Such designee may be changed by the Co-owner at any time by filing a new notice in the manner herein provided.
- Section 4. Quorum- The presence in person or by proxy of 35% of the Co-owners in number and in value qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.
- Section 5. Voting - Votes may be cast only in person or by proxy except that wherever the Condominium Documents require approval by the affirmative vote of more than 50% of all Co-owner it shall be permissible to vote by a writing duly signed by the designated voting representative not present at a given meeting. Voting shall only be held on the day of the meeting with nominations allowed from the floor. Cumulative voting shall not be permitted.

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

ARTICLE IX – MEETINGS

- Section 1. Place of meeting - Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Sturgis' Code of Parliamentary Procedure, Roberts Rules of Order or some generally recognized manual of parliamentary, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.
- Section 2. Annual Meetings - Annual meetings of members of the Association shall be held during the month of May, each succeeding year after the year in which the First Annual Meeting is held on such date and at such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article X of these By-laws. The Co-owners may also transact at the annual meeting such other business of the association as may properly com before them.
- Section 3. Special Meetings - It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by 1/3 of the Co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.
- Section 4. Notice of Meetings - It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Co-owner of record, at least 10 days but not more than 60 days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article VII, Section 3 of these By-laws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, wavier such notice, and such waiver, when filed in the records of the Association shall be deemed due notice.
- Section 5. Adjournment - If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

- Section 6. Order of Business - The order of business at all meetings of the members shall be as follows: (a) roll call to determine the existence of a quorum. (b) proof of notice of meeting or waiver of notice; (c) reading minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointments of inspector of elections (at annual meetings or special meetings held for purpose of election of Directors or officers); (g) election of Directors (at annual meeting or special meetings held for such purpose); (h) unfinished business and (i) new business. Meetings of members shall be chaired the most senior officer of the Association present at such meeting. For purposes of this section, the order of seniority of officers shall be President, Vice President, Secretary, and Treasurer.
- Section 7. Action without meeting - An action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 4 for the giving of notice of meetings of members. Such solicitations shall specify:
- (a) the number of responses needed to meet the quorum requirements;
 - (b) the percentage of approvals necessary to approve the action;
 - (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt within the time period specified in the solicitation of:
 - (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting.
 - (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.
- Section 8. Consent of Absentees - The transactions at any meeting of members, either annual or special, however called and notices, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum be present either in person or by proxy, and is either before or after the meeting, each of the members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.
- Section 9. Minutes, Presumption of Notice - Minutes or a similar record of the proceedings for meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE X - BORAD OF DIRECTORS

- Section 1. Number and Qualification of Directors - The affairs of the Association shall be governed by a Board of Directors, all of who must be members of the Association. Directors compensation, if any shall be set by the affirmative vote of 60% of all Co-owners.
- Section 2. Election of Directors - At each annual meeting either 2 or 3 Directors shall be elected depending upon the number of Directors whose terms expire. The Directors shall hold office until their successors have been elected and hold their first meeting. The term of office of each Director shall be 2 years. Annual meetings of Co-owners to elect Directors and to conduct other business shall be held in accordance with the provisions of Article IX, Section 2 hereof. The election of Directors shall be handled by an Election Committee made up of at least 3 Co-owners whose responsibility shall be to seek nominations, provide Proxies to all Co-owners, verify and count ballots and to provide the Board with the results. This committee shall be appointed at the November meeting. No Candidate running for the Board or a Board Member shall belong to the Election Committee.
- Section 3. Powers and Duties - The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners.
- Section 4. Other Duties - In addition to the foregoing duties imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:
- (a) To manage and administer the affairs of and to maintain the Condominium Project and the Common Elements thereof.
 - (b) To collect assessments from the members of the Association and to use the proceeds thereof for the purpose of the Association.
 - (c) To carry insurance and collect and allocate the proceeds thereof.
 - (d) To rebuild improvements after casualty.
 - (e) To contact for and employ persons, firms, corporations, or other agents to assist in the management, operation, maintenance, and administration of the Condominium Project.
 - (f) To acquire, maintain, and improve; and to buy, operate, manage, sell, convey, assign, mortgage, or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way, and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.

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

Section 5. Management Agent - The Board of Directors may employ 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 in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Director.

Section 6. Vacancies - Vacancies that may occur in the Board of Directors caused by any reason shall be filled. These persons shall serve as Directors until a successor is elected at the next annual meeting of the Association.

Section 7. Removal - At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors, may be removed with cause by the affirmative vote of more than 50% in number and in value of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

Section 8. Regular Meetings - Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, telephone, or telegraph at least 48 hours prior to the date for such meetings.

Section 9. Special Meetings - Special meetings of the Board of Directors may be called by the president on 3 days notice to each Director, given personally, by mail, telephone, or telegraph, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of the Directors.

Section 10. Waiver of Notice - Before or at any meeting of the Board of Directors, any Director may in writing, wavier notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by him or the time and place thereof unless such director

shall place protest of notice on the record. If all directors are preset at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Adjournment - 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 presented shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon 24 hours prior written notice delivered to all directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such Director for purposes of determining a quorum.

Section 12. Fidelity Bonds - The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE XI – OFFICERS

Section 1. Officers - The principle Officers of the Association shall be; President, Vice President, Secretary, and Treasurer, who shall be appointed by the Board of Directors and shall follow Roberts Rule of Order. The Directors may appoint an Assistant Secretary and an Assistant Treasurer and such officers as in their judgment may be necessary. Any two officers except that of the President and Vice President may be held by one person.

(a) President: The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association. In the event the Presidency becomes vacant the Vice President shall become President.

(b) Vice President: The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to 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 by the Board of Directors.

- (c) Secretary: The secretary shall take the minutes of all meetings and be responsible for all correspondence received by the Association. Minutes may be taken by hand but with a backup tape recording. Copies of minutes must be made available to all Co-owners. Tapes may be heard by special request to the Secretary at a mutually acceptable time and date.
- (d) Treasurer: The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all money 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. All records must be passed on to the new Treasurer immediately.

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, and officer may be removed with cause by the majority vote. His successor will be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

Section 4. Duties - The officers shall have such other duties, powers, and responsibilities as shall, from time to time, be authorized by the Board of Directors. All officers and Board members shall be involved in the processing of bids. They shall try to obtain at least three bids with as much information as possible. The officers and directors shall work as a unit on making decisions.

Treasurers Duties - The Treasurer shall maintain the Association bank accounts, pay bills assist the budget committee and prepare the financial reports. The Treasurer shall provide the Co-owners with a breakdown of the funds spent as it relates to the budget at the general meetings. All Association checks shall be signed by the President or the Treasurer. An alternate person named by the Board may also sign checks if either the Treasurer or President are not available.

ARTICLE XII – SEAL

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

ARTICLE XIII – FINANCE

- Section 1. Records - The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual financial statement within 90 days following the end of the Association's fiscal year upon request therefore. The cost of any such audit and any accounting expenses shall be expenses of administration. All records must be passed on to the new accountant immediately.
- Section 2. Fiscal Year - The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.
- Section 3. Bank- Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

ARTICLE XIV - INDEMNIFICATION OF OFFICERS AND DIRECTORS

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

duties, provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Director or officer may be entitled. At least 10 days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof, further, the Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

ARTICLES XV – ADMENTMENTS

- Section 1. Proposal - Amendments to these By-laws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by 1/3 or more in number of the Co-owners by instrument in writing signed by them.
- Section 2. Meeting - Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these By-laws.
- Section 3. Voting - These By-laws may be amended by the Co-owners at any regular meeting or a special meeting called for such purpose by an affirmative vote of not less than 66-2/3% of all Co-owners in number and in value. No consent of mortgagees shall be required to amend these By-laws unless such amendment would materially alter or change the rights of such mortgages, in which event the approval of 66-2/3% of mortgagees shall be required with each mortgagee to have one vote for each mortgage held.
- Section 4. When Effective - Any amendment to these By-laws 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 the By-laws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these By-laws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XVI – COMPLIANCE

The Association of Co-owners and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the facilities of the Project in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Unit or any 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 XVII – DEFINITIONS

All terms used herein shall have the same meaning as set forth in the Master Deed to which these By-laws are attached as an Exhibit or as set forth in the Act.

ARTICLE XVIII - REMEDIES FOR DEFAULT

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

- Section 1. - Legal Action - Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.
- Section 2. Recovery of Costs - In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court, but in no event shall any Co-owner be entitled to recover such attorneys' fees.
- Section 3. Removal and Abatement - The Violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the right set forth above, to enter upon the Common Elements, Limited or General, or into any Unit and the improvements thereon, shall be reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.
- Section 4. Assessment of Fines - The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary assessment for such Violations. No fine may be assessed unless rules and regulations establishing such assessment have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Article II, Section 6 of these By-laws. Thereafter, fines may be assessed only upon notice to the offending Co-owners as prescribed in said Article II, Section 6, and an opportunity for such Co-owner to appear before the Board no less than seven days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed

may be collected in the same manner as provided in Article II of these By-laws. No fine shall be levied for the first violation. No assessment shall exceed \$25 for the second violation, \$50 for the third violation or \$100 for any subsequent violation.

- Section 5. Non-Waiver of Right - The failure of the Association or of any Co-owner to enforce any right, provision, covenant, or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision, covenant, or condition in the future.
- Section 6. Cumulative Rights, Remedies, and Privileges - All right, remedies, and privileges granted to the Association or any Co-owner or Co-owners pursuant to any term, provisions, covenants, or conditions of the 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 right, remedies, or privileges as may be available to such party at law or in equity.
- Section 7. Enforcement of Provisions of Condominium Documents - A Co-owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

In the event that any of the terms, provisions, or covenants of these By-laws 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 term provisions, or covenants of such documents or the remaining portions of any terms, provisions, or covenants held to be partially invalid or unenforceable.

By-laws revised: 9-14-00