

# RIVER BEND PLYMOUTH

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### AMENDED AND RESTATED CONDOMINIUM BYLAWS

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**RIVER BEND CONDOMINIUMS**  
**AMENDED AND RESTATED CONDOMINIUM BYLAWS**

**(EXHIBIT "A" TO THE AMENDED AND RESTATED MASTER DEED)**

**ARTICLE I**

**ASSOCIATION OF CO-OWNERS**

**Section 1. Association.** River Bend Condominiums is a residential Condominium Project located in the Township of Plymouth, Wayne County, Michigan (the "Condominium," or the "Project"). The Condominium shall be administered by an association of Co-owners which shall be a non-profit corporation, specifically named "River Bend Plymouth Condominium Association" (the "Association") organized under the applicable laws of the State of Michigan. The Association shall be responsible for the management, maintenance, insurance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Condominium Documents and the laws of the State of Michigan.

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

**Section 2. Membership; Reserve Funds.** Each Co-Owner shall be a member and no other person or entity shall be entitled to membership. Neither membership in the Association nor the share of a Co-owner in the funds and assets of the Association shall be assigned, pledged or

transferred in any manner, except in conjunction with the sale or transfer of title to a 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. Subject to Article XIII of these Bylaws, 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, mortgagees, 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 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, insurance, and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the Condominium Documents and the Act shall be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

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

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

(a) **Budget; Regular Annual 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, insurance, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves.

(b) **Budget Adoption.** Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure of delivery of a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments.

The Association may deliver copies of the budget to Co-owners via methods of email and electronic transmission to the extent that a Co-owner has authorized the Association to do so (by providing their email address to the Association for such purposes, or via any other method of express written authorization).

(c) **Reserve Fund.** An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 3 below rather than by special assessments.

At a minimum, the reserve fund shall be equal to ten percent (10%) of the Association's current annual budget on a non-cumulative basis. Since the minimum standard required by this sub-paragraph 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 and, in the event of such a determination, the Board of Directors shall be empowered to establish such greater or other reserves without Co-owner approval.

(d) **Additional Assessments.** Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors:

- (i) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium,
- (ii) to provide replacements of existing Common Elements,
- (iii) to provide additions to the Common Elements not exceeding Two Thousand Dollars (\$2,000.00) annually for the entire Condominium Project, or
- (iv) in the event of emergencies,

the Board of Directors shall have the authority to increase the general annual assessment or to levy such additional assessment or assessments as it shall deem to be necessary for such purposes without the approval of the Co-owners.

The Board of Directors also shall have the authority, without Co-owner consent, to levy additional assessments pursuant to the provisions of Article V, Section 4 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and

subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof, except in the event that the Association's Board of Directors 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.

(e) **Special Assessments.** Special assessments, may be made by the Board of Directors from time to time and approved by the Co-owners to meet other needs or requirements of the Association, including, but not limited to:

(i) assessments for additions to the Common Elements of a cost exceeding a total cost for the Condominium Project of Two Thousand Dollars (\$2,000.00) annually,

(ii) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 6 hereof, or

(iii) assessments for any other appropriate purpose not elsewhere herein described.

Special assessments referred to in this sub-paragraph (e) shall not be levied without the prior approval of those Co-owners who represent more than sixty percent (60%) of all of the Units in the Condominium.

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, except in the event that the Association's Board of Directors 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 or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned equally among and paid by all of the Co-owners without any increase or decrease for the existence of any rights to the use of any Limited Common Elements which serve a Co-owner's Unit.

Any unusual expenses of administration that benefit less than all of the Condominium Units in the Condominium, or any expenses incurred as the result of the conduct of less than all those entitled to occupy the Condominium Project or by their licenses or invitees, may be specially assessed against the Condominium Unit or Condominium Units so benefitted, or the conduct of whose occupants (or licensees or invitees thereof) resulted in such expenses, and may be allocated to such Condominium Unit or Units in the proportion that the percentage of value of the applicable Condominium Unit bears to the total percentages of value of all Condominium Units so specially benefitted or responsible for such expenses.

Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments and other amounts (including late charges, fines and costs of collection and enforcement of payment) pertinent to their Unit that may be levied while such Co-owner is the owner of the Unit.

For any Unit that is subject to a land contract, the seller and purchaser shall be jointly and severally liable for all amounts assessed to the Unit's account up to and including the date on which the land contract seller actually recovers possession of the Unit from the purchaser following the extinguishment of all of the purchaser's rights in the Unit under the land contract in the event of a purchaser's default under the contract.

**Section 4. Due Dates; Penalties for Default; Application of Payments.** Annual assessments shall be payable by co-owners in twelve (12) equal monthly installments. Such assessments shall be due and payable on the first of each month, commencing with a Co-owner's 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. Additional and special assessments, and any other amounts assessed to an Owner's account under the Condominium Documents or the Act, shall be due and payable as directed by the Board of the Directors subject to any applicable provisions of these Bylaws.

Monthly installments of the annual assessment are due on the first day of each month. The payment of any assessment shall be in default if any installment thereof is not paid to the Association in full on or before the due date for such installment. A late charge of twenty-five (\$25.00) dollars per month, or such other amount as the Board may approve from time to time, may be assessed automatically by the Association to a delinquent owner's account if any assessment is in default for ten (10) or more days until all delinquent amounts are paid in full.

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. Interest shall begin to accrue on the date on which the assessment becomes delinquent and shall be assessed to the account monthly. Each Co-owner (whether one or more persons or entities) shall be, and remain, personally liable (jointly and severally, if the Co-owners consists of more than one person or entity) for the payment of all assessments pertinent to their Unit which may be levied while such Co-owner is the owner thereof.

All payments on delinquent accounts shall be applied in the following order of priority:

- (a) non-sufficient funds check charges;
- (b) interest;

- (c) fines;
- (d) miscellaneous (such as expense charge-backs);
- (e) attorney's fees and costs;
- (f) late charges;
- (g) additional assessments;
- (h) special assessments; and
- (i) lastly, to any unpaid installments of the annual assessment in the order of their due dates, earliest to latest.

**Section 5. Liens for Unpaid Assessments.** Sums assessed to the Association which remain unpaid, including, but not limited to, regular annual assessments, additional assessments, special assessments, attorney's fees and costs assessed to a Co-owner's Unit pursuant to the Bylaws, fines, and late charges, shall constitute a lien upon the Unit or Units in the Project owned by the Co-owner at the time of the assessment and upon the proceeds of sale thereof. Any such unpaid sum shall constitute a lien against the Unit as of the first day of the fiscal year to which the assessment, fine or late charge relates and shall be a lien prior to all claims except real property taxes and first mortgages of record. All charges which the Association may levy against any Co-owner shall be deemed to be assessments for purposes of this Section and Section 108 of the Act.

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

**Section 7. Enforcement.**

(a) **Remedies.** In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments, 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.

In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against their Unit, or any portion of any additional or special assessment levied against the Co-owner's Unit, or any other obligation of a Co-owner that, 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 pertinent 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.

A Co-owner who is not in Good Standing shall not be entitled to do any of the following:

- (i) Serve on any Committees;
- (ii) Act as an inspector of any elections;
- (iii) Use any of the General Common Elements;
- (iv) Continue serving on the Board of Directors (if already elected or appointed before the delinquency or default arose);
- (v) Vote at any Association (including voting by proxy) or Board meeting;
- (vi) Sign any petitions;
- (vii) Run for election or be nominated to serve on the Board of Directors;
- (viii) Be appointed as a Director to fill a vacancy on the Board;
- (ix) Be appointed as an officer of the Association (or continue to serve as an officer, if already appointed before the delinquency or default rose).

A Co-owner must be in Good Standing as of the record date of the meeting or vote in question (as defined in the Nonprofit Corporation Act and the Master Deed) in order to participate in any of the items in sub-Section 7 (a) (i) through (ix) that involve meetings or Association votes.

The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon 7 days' written notice to such Co-owner of its intention to do so, including (but not limited to) access to the Association's website. Provided, however, these provisions 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 persons claiming under such Co-owner as provided by the Act. All of these remedies shall be cumulative and not exclusive.

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

**(c) Notices of Action.** Notwithstanding the foregoing, the Association may not commence a judicial foreclosure action or a lawsuit for a money judgment against a Co-owner, or publish any notice of a foreclosure by advertisement of a Co-owner's Unit without first serving the Co-owner of such Unit with a written notice of lien at least ten (10) days in advance of the commencement of such proceedings by first class mail, postage prepaid, addressed to the delinquent Co-owner at their last known address.

Such written notice of lien shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth:

- (i)** the affiant's capacity to make the affidavit,
- (ii)** the statutory and other authority for the lien,
- (iii)** the amount outstanding (exclusive of interest, costs, attorney 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 Project is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing of the notice of lien 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 delinquent Co-owner and shall inform them that they may request a judicial hearing by bringing suit against the Association.

**(d) Expenses of Collection.** The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees), any and all pre-litigation attorney's fees, costs and expenses, 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 their Unit.

**Section 8. 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 as a result 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.

**Section 9. 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 10. 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 11. 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 Section 132 of the Act.

**Section 12. Statement as to Unpaid Assessments.** Pursuant to the Act, the purchaser of any Condominium Unit may request a statement of the Association as to the outstanding amount of any unpaid Association assessments, whether regular, additional or special, as well as any and all interest, late charges, fines, costs and attorney fees thereon and related collection costs. Upon written request to the Association, the Association shall provide a written statement of such unpaid assessments, fines, late charges, 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 attorney's 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.

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 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. 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.

The arbitration costs shall be borne by the losing party to the arbitration. The arbitrator may require a reasonable deposit to ensure payment of costs. Payment of such deposit shall be split evenly by the parties and shall be placed in escrow in the nature of the arbiter as trustee in the name of the matter at issue.

The prevailing party at arbitration shall be entitled to an award of their reasonable attorney's fees and costs incurred in the proceeding as part of the arbitration award.

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

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

## ARTICLE IV

### INSURANCE

**Section 1. General Insurance Responsibility of the Association.** The Association shall carry property insurance, general liability insurance, officers and directors liability insurance, workers' compensation insurance, if applicable, employee dishonesty/crime insurance (or fidelity bonds), 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.

**Section 2. Specific Insurance Responsibilities of the Association.** The Association shall purchase insurance for the benefit of the Association, the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of Certificates of Insurance with mortgagee endorsements to the mortgagees of the Co-owners. Such insurance shall be carried and administered in accordance with the following provisions:

(a) **Property Coverage – General Common Elements.** All General Common Elements of the Condominium shall be insured by the Association under a Special Form coverage insurance policy or policies covering all risks of immediate and direct physical loss or damage to property which are commonly insured by condominium associations. Such coverage shall include all perils typically covered by a Special Form insurance policy, including (but not necessarily limited to) vandalism, fire, theft, malicious mischief, host liability, and any other cause of loss deemed advisable by the Board of Directors of the Association, in an amount equal to the maximum insurable replacement value, including code reconstruction, if applicable, as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall be effected upon an agreed amount basis for the entire Condominium with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total project destruction if the insurance proceeds failed, for some reason, to be equal to the total cost of replacement).

All information in the Association's records regarding insurance coverage shall be made available to all Co-owners upon request and reasonable notice during normal business hours so that the Co-owners shall be enabled to judge the adequacy of 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.

Each Co-owner and the Association shall obtain insurance coverage and/or appropriate endorsements whereby the insurer expressly agrees to waive its right to recover payment from the Association and any Owner any losses payable under the insurance policy to the Co-owner or to the Association.

(b) **General Liability Insurance.** General liability insurance shall be carried in such limits as the Board of Directors may from time to time determine to be appropriate.

The general liability insurance shall cover: (1) the Association; (2) each Co-owner of the Condominium (and the Co-owners collectively as a group) but only with respect to liability arising out of their interest in the Common Elements or membership in the Association; and (3) any person or organization while acting as a managing agent for the Association.

Such liability insurance shall be carried in a minimum amount of not less than \$1,000,000 per occurrence for bodily injury and property damage, and shall include medical payments coverage.

The Association's liability insurance policy shall also contain the following provisions: the insurer may not deny a claim on grounds that the damage, injury or loss resulted from the acts or negligence of the Association or of any Co-Owner.

(c) **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 as directors or officers of the Association, or as members of any committee of the Association, as well as any other nondirector or nonofficer volunteer Co-owner who is serving the Association or acting on its behalf.

Such insurance shall cover any liability asserted against the person and incurred by the person in that capacity or arising out of the person's status as such, whether or not the corporation has the power to indemnify the person against liability under Sections 561 through 565 of the Nonprofit Corporation Act. 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.

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

(e) **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. Notwithstanding any other provisions in these Bylaws (including, but not limited to, provisions as to the parties who may have priority to insurance proceeds), hazard insurance proceeds shall never be used for any purpose other than for repair, replacement or reconstruction of the Condominium Project unless all of the holders of mortgages on Units, and all Co-owners, in the Condominium have given their prior written approval.

(f) **Deductibles.** The Association's Board of Directors may choose to carry insurance policies with reasonable deductibles. Such deductibles shall not exceed the maximum amount allowable by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

The Association's deductible expense incurred on any casualty loss shall be assessed to the Co-owner in the event that the Co-owner (or the Co-owner's family member, unit occupant, tenant, guest, licensee or invitee)'s intentional conduct, negligence, or failure to comply with the Condominium Documents was a proximate cause of the loss.

In the event that a casualty loss results from the failure, breakdown or malfunction of any appliance within a Unit, the Association may assess its deductible incurred on any such loss to the Owner of the Unit where the appliance was located. This provision shall apply regardless of whether the failure, malfunction or breakdown of the appliance was due to any fault, action, inaction or negligence of the Unit's Owner, Tenants, or other Non-Co-owner Occupants.

**Section 3. Insurance Responsibilities of the Co-owner.**

(a) **Generally.** Each Co-owner shall be required to obtain their own Special Form HO-6 Condominium Homeowners Insurance Policy for their Unit and Limited Common Elements, and the Association shall have absolutely no responsibility for obtaining such coverage.

If the Co-owner is leasing their Unit, then the Co-owner shall obtain such other coverages or policies as might be available for leased Units. The landlord Co-owner shall be solely responsible for obtaining any and all coverages as might be available to a landlord of a leased Condominium Unit, including, but not limited to, coverage for lost rents.

The Co-owner's coverage shall include all causes of loss normally covered by a Special Form Homeowners Insurance Policy, including, but not limited to, fire, theft, vandalism, host liability, and malicious mischief. Upon the Board's request, Co-owners shall provide written verification of their insurance coverage for their Unit and Limited Common Elements to the Association annually. The Association may assess an administrative fee to any Co-owner who fails or refuses to provide verification of their insurance coverage to the Board after its request for said verification.

It shall be each Co-owner's responsibility to determine by personal investigation the nature and extent of insurance coverage needed to protect their Unit and Limited Common Elements as required by the Condominium Documents. In the event of the failure of a Co-owner to obtain insurance, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefore shall constitute a lien on 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.

(b) **Specific Insurance Duties of the Co-owner.** Each Co-owner shall have the sole responsibility for insuring the following items:

(i) **Property Coverage – Interior Items, Limited Common Elements, and Wiring, Lines and Ducts.** The Co-owner's property coverage for items within their Unit shall include all perimeter and interior wall drywall, all interior wall construction and framing within a Unit, all pipes, wires, conduits and ducts contained within such interior walls which serve only the Co-owner's Unit, and all fixtures, equipment and trim and any other building items within the Unit, whether furnished by the Developer or installed by the Owner (the "Interior Items").

The Co-owner's property coverage shall also include any and all Limited Common Elements which serve only their Unit regardless of where they are located in relation to the Co-owner's Unit (inside or outside).

The Co-owner's duty to insure under this subsection shall also extend to any and all cooling and heating duct work, water lines, drain lines, electrical wiring, gas lines, telephone wiring, telecommunication wiring and cable television wiring which serve only that Co-owner's Unit, regardless of where in the Condominium the item is located in relation to the Co-owner's Unit.

The Association shall be responsible for insuring any and all water lines, drain lines, electrical wiring, gas lines, telephone wiring, telecommunication wiring and cable television wiring which serve more than one Unit regardless of whether such items might be located within or run through any single Unit.

(ii) **Personal Property.** All personal property located within their Unit and Limited Common Elements or elsewhere in the Condominium.

(iii) **Liability.** The Co-owner's personal liability for occurrences within their Unit or upon the Limited Common Elements serving their Unit.

(iv) **Upgrades, Betterments, and Improvements.** Each Co-owner shall be solely responsible for insuring all betterments, improvements, and additions to their Condominium Unit and Limited Common Elements regardless of whether such items were installed by the Developer at the original Co-owner's request or by the Co-owner (the "Improvements"). This includes, but is not limited to, all fixtures and improvements installed in connection with any finished basement or garage.

(v) **Alternative Living Expenses.** Each Co-owner shall be solely responsible for insuring additional or alternative living expenses in the event of fire, mold, or other casualty or event involving damage to the Condominium.

(vi) **Loss Assessment and Deductibles.** The Co-owner's coverage shall include a "loss assessment" and deductible endorsements which shall cover any property damage, expense, loss or deductible incurred by the Co-owner or assessed to the Co-owner by the Association for which there may be no coverage or inadequate coverage under the Association's insurance policy.

(vii) **Rental Coverages.** It shall be the responsibility of each Co-owner to require any tenant or non-Co-owner occupant to maintain renters' insurance, and under no circumstances shall the Association be liable to any renters or non-Co-owner occupants for damages to their personal property inside the Unit.

The Co-owner shall be solely responsible for investigating and identifying the need for any additional coverages besides those listed herein as the Co-owner might require.

The Association shall have no responsibility whatsoever for insuring the Co-owner's Interior Items or Improvements. The Co-owners property insurance for Interior Items and Improvements shall be primary.

The Co-owner shall obtain insurance coverage and/or appropriate endorsements whereby the insurer expressly agrees to waive its right to recover payment from the Association and any other Co-owner for any losses that are payable under the Co-owner's insurance policy.

Each Co-owner shall provide a certificate of insurance to the Association each year showing that all of the above-listed coverages are in effect. The Association, acting via its Board of Directors, shall have the right but not the obligation to place insurance on the Condominium Unit and/or to obtain for a Co-owner's Unit any of the Co-owner coverages listed in Section 3 (b) (i) – (vii) above for any Co-owner who fails to obtain their own Form HO-6 and the other coverages listed therein; the expense thereof shall be assessed to such Co-owner's Condominium Unit.

**Section 4. 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 Special Form 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 do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

**Section 5. Waivers of Subrogation.** The Association and all Co-owners shall only obtain insurance policies under which the insurer waives any and all right of subrogation as to any and all claims against any Co-owner or the Association.

**Section 6. Indemnification.** Each Co-owner shall indemnify and hold harmless every other Co-owner and the Association for all damages, costs and expenses (including, but not limited to, attorney's fees) which such other Co-owners or the Association may suffer as a result of defending any claim arising out of an occurrence for which the Co-owner is required to carry insurance pursuant to this Article. This Section shall not be construed to give any insurer a right of subrogation or other right or claim against a Co-owner or the Association.

## ARTICLE V

### RECONSTRUCTION, REPLACEMENT, OR REPAIR AFTER CASUALTY LOSS AND EMINENT DOMAIN

The provisions of this Article V relating to the rights and duties of the Association and Co-owner to reconstruct, repair and/or replace the Condominium Units and Common Elements shall only apply to damage that results from a casualty loss or other insurable event affecting the Condominium or any part thereof.

For all other types of damage or deterioration to the Condominium, the relative duties of maintenance, decoration, repair, and replacement of the Association and the Co-owner shall be governed by Article IV of the Master Deed.

This Article is expressly subject to Article IV of the Master Deed which sets forth the relative duties of the Association and the Co-owner to maintain, decorate, repair, and replace the Condominium Units and Common Elements.

**Section 1. Determination to Reconstruct, Replace or Repair.** In the event any part of the Condominium property shall be damaged, the determination of whether or not it shall be reconstructed, replaced, or repaired shall be made in the following manner:

(a) **Partial Damage – One Or More Units Tenable.** In the event the damaged property is a Common Element or a Unit, the property shall be rebuilt, replaced, or repaired if any Unit in the Condominium is tenable, unless it is determined by an affirmative vote of those Co-owners who represent 80% of the Units in the Condominium and fifty-one (51%) percent of the eligible holders of first mortgages on any Condominium Units that the Condominium shall be terminated.

(b) **Total Destruction – No Unit Tenable.** In the event the Condominium is so damaged that no Unit is tenable, the damaged property shall not be rebuilt, replaced, or repaired and the Condominium shall be terminated unless those Co-owners who represent eighty (80%) percent or more of the Units in the Condominium plus fifty-one (51%) percent of the eligible holders of first mortgages on any Condominium Units agree to reconstruction, replacement or repair by vote or in writing within ninety (90) days after the destruction.

**Section 2. Repair in Accordance with Master Deed.** Any such reconstruction, replacement, 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 Co-owners representing sixty-six and two-thirds (66 2/3%) percent of the eligible Units in the Condominium and fifty-one (51%) percent of the eligible holders of first mortgages on any Condominium Units vote to do otherwise.

**Section 3. Co-owner Responsibilities for Reconstruction, Replacement and Repair after Casualty Loss.** If the damage is only to a part of a Unit, Common Element or non-Common Element item within or serving a Unit that is the responsibility of the Co-owner to reconstruct, replace or repair under the Master Deed or this Article, then it shall be the responsibility of the Co-owner to reconstruct, replace or repair the damaged item.

Subject to the Association's reconstruction, repair and replacement duties in relative to the Common Elements as stated in Sections 4 of this Article, after a casualty loss each Co-owner shall bear the responsibility and costs for the reconstruction, repair, and replacement of the following items, whether they constitute part of their Unit, the Common Elements, non-Common Elements, or personal property:

(a) **Appliances.** All appliances and equipment within the Co-owner's Unit and supporting hardware, including, but not limited to, microwaves, refrigerators, freezers, sump pumps (include the sump pump water discharge line which runs to the outside of the Unit), smoke detectors, carbon monoxide alarms, fire extinguishers, humidifier, garbage disposal, dishwasher, range, oven, vent fan and related duct work, bathroom exhaust fans and related duct work, clothes washer, clothes dryer, appliance vent covers, vent filters, water filters and hot water heaters, if any.

(b) **HVAC.** The furnace and air-conditioner compressor which serve the Co-owner's Unit.

(c) **Windows, Doors and Screens.** The repair, replacement and maintenance (interior and exterior) of all window glass, doors and screens and the costs thereof shall be borne by the Co-owner of the Unit which any such windows, doors and screens serve.

Notwithstanding the foregoing, the Association, acting through its Board of Directors, may elect, at its option, to undertake exterior cleaning of window glass.

(d) **Electrical Fixtures.** All electrical fixtures and appliances within the individual Unit, including, but not limited to wires, outlets, switches, fuse boxes, circuit breakers and fixtures, from and including the breaker box servicing the Unit, all doorbell components (inside and out of Unit), and antenna outlets.

(e) **Plumbing Fixtures.** All plumbing fixtures, including commodes, tubs, hot tubs, Jacuzzi tubs and motors, shower pans, shower stalls, shower enclosures, tub and shower caulking, faucets, water shut-off valves, rings, seals and washers, water supply lines, and all traps and connecting drain pipes within the Unit.

(f) **Electrical Wiring, Water Lines, Gas Lines, Drain Lines, Heating/Air-Conditioning Ducts, Cable Television, Telephone, Cable and Telecommunications Wiring.** Each Co-owner shall be responsible for the reconstruction, repair, and replacement of all cooling and heating duct work, water lines, drain lines, electrical wiring, gas lines, telephone, telecommunications and cable television wiring which are located within the interior of their Unit and serve only the Unit in which they are located.

The Association shall be responsible for reconstructing, repairing and replacing any of the items listed herein to the extent that any such item serves more than one Unit regardless of whether the item is located within or runs through any Unit.

The Co-owner shall also be responsible for maintaining, repairing and replacing any and all of the aforesaid items if the item in question serves only that Co-owner's Unit exclusively, regardless of where in the Condominium the item is located in relation to the Co-owner's Unit.

(g) **Kitchen and Bathrooms.** All interior non-Common Element fixtures, equipment and trim located within any kitchen or bathroom, including, but not limited to, any and all kitchen and bathroom cabinets, counters, sinks, mirrors, interior trim, closet doors, laundry tubs, tile and wood (either floor or wall), and all related hardware.

(h) **Improvements, Decorations, and Trim.** All interior non-Common Element improvements and decorations within a Unit, including, but not limited to, paint, wallpaper, window treatments, paneling, draperies, carpeting, linoleum, tile, finished floors and other floor coverings and trim, regardless of whether the item is damaged or removed as a malfunction of part of the Common Elements or as a result of the Association's fulfillment of its maintenance, repair or replacement responsibilities.

(i) **Drywall.** The costs and duty of repair and replacement of any and all drywall within a Unit shall be borne by the Co-owner of the Unit in which such drywall is located.

(j) **Other.** All other items not specifically enumerated above which may be located within the Co-owner's Unit.

**Section 4. Association's Repair, Replacement and Reconstruction Duties for Common Elements; Items Covered by Association's Insurance.**

(a) **Common Elements.** The Association is responsible for reconstructing, repairing and replacing the Common Elements as set forth in the Master Deed and these Bylaws. The Association shall not be responsible for repairing, replacing or reconstructing any non-Common Elements within a Co-owner's Unit, or which serve a Co-owner's Unit.

In no event shall the Association be responsible for any damage to the contents of a Condominium Unit or to any personal property of a Co-owner.

(b) **Association's Responsibility for Damage to Common Elements Covered by the Association's Insurance.** In the event that damage to any Common Elements is covered by insurance held by the Association, then the reconstruction, replacement or repair of such Common Elements shall be the responsibility of the Association; provided, however, that any portion of the Association's expenses incurred for such reconstruction, replacement or repair of the Common Elements but not recovered from the Association's insurance policy proceeds,

whether because of the application of an insurance deductible or for any other reason, may be allocated to the appropriate Co-owner pursuant to Article IV, Section 2 (f) of these Bylaws and Article IV, Section 5 of the Master Deed.

In the event such damage may be covered by any insurance, the Co-owner shall cooperate with the Association and join in any application for a claim under any such insurance policy. If the damage could be covered by any insurance policy held by the Co-owner, including, but not limited to, contents insurance, the Co-owner shall timely file a claim with his insurance company simultaneous with or prior to the Association's application for a claim under its insurance policy.

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.

Immediately after a casualty causing damage to property for which the Association has the responsibility of replacement, repair or reconstruction under this Section 4, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction, replacement or repair required to be performed by the Association, or if at any time during or upon completion of such reconstruction, replacement or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Co-owners for the cost of reconstruction, replacement or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair, subject to any provisions in the Master Deed or these Bylaws that might expressly provide otherwise or which might permit assessment of such costs to less than all of the Co-owners. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

**Section 5. Timely Reconstruction, Replacement, and Repair.** The Association or Co-owner responsible for the reconstruction, repair, or replacement shall proceed with such reconstruction, repair, or replacement of the damaged property without delay, and shall complete all such work within a reasonable time after the occurrence of the damage, but in no event shall such work be completed any later than six (6) months from the date on which the damage occurred.

**Section 6. 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 owner of such Unit and the mortgagee thereof, as their interests may appear.

If a Co-owner's entire Unit is taken by eminent domain, such Co-owner and their mortgagee shall, after acceptance of the condemnation award therefore, be divested of all interest in the Condominium Project. The undivided interests in the Common Elements

appertaining to the Unit shall thenceforth appertain to the remaining Condominium Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The Court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall include, without limitation, just compensation to the Co-owner of the Condominium Unit taken for their undivided interest in the Common Elements as well as for the Condominium Unit.

**(b) Taking of Common Elements; Board's Power to Negotiate Settlement; Repair after a Takings.** If there is any taking of any portion of the Condominium's Common Elements, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements.

The Association, acting through its Board of Directors, may negotiate on behalf of all Co-owners for any taking of the Common Elements. Any negotiated settlement approved by Co-owners who represent more than sixty-six and two-thirds (66 2/3%) percent of the Co-owners shall be binding on all Co-owners.

The affirmative vote of those Co-owners who represent more than sixty-six and two-thirds (66 2/3%) percent of all of the Units shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

Any restoration or repair of the Condominium after a partial taking shall be substantially in accordance with the Master Deed and original plans and specifications for the Condominium unless fifty-one (51%) percent of the eligible holders of first mortgages on any Condominium Units consent to do otherwise.

**(c) Continuation of Condominium after a Partial Taking of a Unit.** In the event the Condominium Project continues after portions of a Unit are taken by eminent domain, then the court shall determine the fair market value of the portions of the Unit not taken. The undivided interest for each Condominium Unit in the Commons Elements appertaining to the Units shall be reduced in proportion to the diminution in the fair market value of the Condominium Unit resulting from the taking. The portions of undivided interest in the Common Elements thereby divested from the Co-owners of a Condominium Unit shall be reallocated among the other Units in the Condominium Project in proportion to their respective undivided interests in the Common Elements.

A Condominium Unit partially taken shall receive the reallocation in proportion to its undivided interests as reduced by the Court. The court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the Co-owner of the Condominium Unit partially taken for that portion of the undivided interest in the Common Elements divested from the Co-owner and not revested in the Co-owner, as well as for that portion of the Condominium Unit taken by eminent domain.

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 Co-owner, but only with the prior approval of fifty-one (51%) percent of the votes of eligible holders of first mortgage liens on individual Units in the Condominium.

In the event of a substantial taking in condemnation of the Condominium, any election to terminate the Condominium must be approved by the affirmative vote of those Co-owners who represent eighty (80%) percent or more of the Units in the Condominium plus fifty-one (51%) percent of the eligible holders of first mortgages on any Condominium Units.

**(d) Impacticality of Use of Portion of Unit not Taken by Eminent Domain.** If the taking of a portion of a Condominium Unit makes it impractical to use the remaining portion of that Condominium Unit for a lawful purpose permitted by the Condominium Documents, then the entire undivided interest in the Common Elements appertaining to that Condominium Unit shall thenceforth appertain to the remaining Condominium Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The remaining portion of that Condominium Unit shall thenceforth be a Common Element.

The court shall enter an order reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the Co-owner of the Condominium Unit for the Co-owner's entire undivided interest in the Common Elements and for the entire Condominium Unit.

**(e) 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.

**(f) 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 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") or by the Federal National Mortgage Association ("FNMA"), then, upon request therefore by FHLMC or FNMA, the Association shall give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds \$10,000.00 in amount or if damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC or FNMA exceeds \$1,000.00. The Association shall provide such other reasonable notice as may be required, from time to time, by other institutional holders of mortgages upon Units.

**Section 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.

**ARTICLE VI**  
**RESTRICTIONS**

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

**Section 1. Residential Use; Prohibited Uses; Permitted Home Offices and Occupations; Maximum Occupancy Limit.** Subject to the provisions contained in this Section regarding permitted home offices and home occupations, no Unit in the Condominium shall be used for other than private residential purposes and the Common Elements shall only be used for purposes consistent with those set forth in this Section 1.

(a) **Prohibited Uses.** No Unit shall be used for any commercial, manufacturing, industrial or business purposes. No Unit shall be used in any manner that creates 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 the Condominium.

“Business purposes” which are prohibited under this subsection shall include, but are not limited to, the housing of any employees in a Unit who may work for a business that is owned by a Co-owner of the Unit, or in which a Co-owner of the Unit has a significant business or employment interest.

Timesharing and interval ownership are prohibited. No Unit shall be used in any manner in violation of applicable zoning or other ordinances of the Charter Township of Plymouth.

Uses of Units that are prohibited and which do not qualify as an acceptable home office or home occupation also include (but are not necessarily limited to) the following: barber shop, styling salon, beauty parlor, tea room, child day care center, adult care facility, foster care center, rooming house, “halfway” house, rehabilitation facility, and animal hospital or any other form of animal care or treatment (such as dog grooming).

The provisions of this Section shall not be construed to prohibit a Co-owner from maintaining a personal professional library, from keeping personal, professional, or business records in his Unit, or handling occasional personal business or professional telephone calls in that Co-owner’s Unit.

(b) **Home Offices and Occupations.** To be permitted as a “home occupation” or “home office,” there must be:

(i) no sign or display that indicates from the exterior that the Unit is being utilized for any purpose other than that of a residential dwelling;

(ii) no goods or commodities kept for viewing or sale in the Unit or within the Condominium;

(iii) no mechanical or electrical equipment used in conjunction with the home office or occupation other than personal computers or other standard office equipment;

(iv) no employees or other persons performing any work in the Unit who are not also Co-owners, tenants and/or non-Co-owner occupants of record with the Association who are using the Unit as their primary residence; and

(v) no regular meetings held at the Unit with clients or customers relating to the home occupation or office.

(c) **Maximum Occupancy Limitation.** The maximum number of persons occupying or residing in a Unit at any given time shall not exceed such maximum limits on occupancy as might be set forth in the ordinances of the Charter Township of Plymouth, or if the Township has no such ordinance, in the International Property Maintenance Code, as they might be amended from time to time.

## **Section 2. Alterations and Modifications.**

(a) **No Alterations/Modifications without Board Approval.** No Co-owner shall make alterations in exterior appearance of their Unit, or make any structural modifications or additions to their 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 prior written approval of the Board, including, without limitation, the following: exterior painting or the erection of decks, porches, balconies, railings, flag poles, antennas, lines, cables, wires, aerials, lights, solar panels, motion sensor lights, security cameras, awnings, doors, shutters, newspaper holders, mailboxes, basketball backboards or any other exterior attachments or modifications. No attachment, appliance or other item may be installed which is designed to kill or repel insects or other animals by light or which emits a humanly audible sound.

No exterior decoration of a Unit or any part thereof is permitted without the prior written approval of the Association's Board of Directors. Any such decoration permitted by the Association shall be approved only if the proposed decoration is consistent with the Units in the Project and the Project as a whole. Holiday decorations are permitted in accordance with Article VI, Section 5 (e) of these Bylaws

The repair and replacement of any portion of the exterior of any Unit or any Limited Common Element shall be permitted only with the prior written approval of the Association's Board of Directors. All such repairs and replacements shall be made only with materials that are equivalent to or of a quality equal to or greater than and of such color consistent with the materials installed by Developer in the construction of this Project.

(b) **Flags.** The Board of Directors may limit the size and number of any flags located on a Unit or on the Premises in any manner consistent with the Act. Notwithstanding this restriction, Co-owners may display the American Flag as permitted by the Michigan Condominium Act, provided the size of said flag does not exceed 3' x 5'.

(c) **Access.** No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves or any other element that must be accessible to service the Common Elements 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, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access.

(d) **Satellite Dishes and Antennas.** Over-the-air reception devices, including but not limited to satellite dish antennas, shall not be attached or installed upon any Common Elements without the advance written permission of the Board of Directors. Such permission shall be set forth in a written Consent to Alteration agreement between the Co-owner and the Association.

Notwithstanding the foregoing, 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 ("F.C.C.").

Any dish or antenna installed in a Unit or on Limited Common Elements shall not exceed one meter (39.37 inches) in diameter or such maximum size limitations as might otherwise be established by the F.C.C. from time to time.

It shall be permissible for Co-owners to cause to be installed television antennas in the attic areas above Units; 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.

(e) **Rights of the Disabled.** 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.

**Section 3. Activities.** No unlawful, noxious, 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. For purposes of this Section, an activity is “unlawful” if it is in violation of any federal, state or local law or ordinance.

No Unit shall be used in whole or in part for the storage of rubbish or trash, nor for the storage of any property or thing that may cause the Unit to appear in an unclean or untidy condition. No substances or material shall be kept or used in a Unit that will emit foul or obnoxious odors, smells or smoke, or that will cause excessive noise, or that will or might disturb the peace, quiet, comfort, or serenity of the occupants of the surrounding Units.

No Co-owner shall do or permit anything to be done or keep or permit to be kept in their 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 expressly prohibited include, but are not limited to, the following: the discharge of firearms, fireworks, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

No Co-owner shall use or permit to be brought into the buildings in the Condominium any explosives or articles deemed to be extra-hazardous to life, limb, or property, without in each case obtaining the written consent of the Board.

No garage sales, rummage sales, estate sales or any other type of sale shall be permitted without the express prior written approval of the Board.

**Section 4. Pets and Animals.**

**(a) Generally.** Co-owners may keep in their Unit one pet (dog or cat) which weighs no more than 50 lbs., or two pets (any combination of dogs and/or cats) the collective weight of which is not more than 50 lbs. The Board may adopt rules of conduct and other regulations requiring that Co-owners properly care for their pets and take adequate measures to ensure that they do not cause damage to the interior of any Unit or the Common Elements. All pets are subject to registration as required by the Board of Directors in its discretion.

Notwithstanding the foregoing, an Owner or occupant may keep as pets small domesticated animals which are constantly contained or caged, such as birds and fish. All farm animals and exotic animals are expressly prohibited in any event.

**(b) Control of Animals.** No animal may be kept or bred for any commercial purpose. All animals shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No dog, which barks and can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements.

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.

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

Stray animals and wild animals, such as squirrels, pigeons, chipmunks, raccoons, etc., shall not be fed or housed by Co-owners, nor shall Co-owners allow any condition to exist within their Unit or the Common Elements, Limited or General, which may attract stray or wild animals. Notwithstanding the foregoing, Co-owners may place or hang bird feeders on their Limited Common Elements. The Board may restrict the number and style of bird feeders that any Unit Owner may install on their Limited Common Elements.

(d) **Co-owner Responsibilities; Registration.** Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any pet 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 Association determines such assessment necessary to defray the maintenance cost or damage 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.

(e) **Enforcement.** The Association may, after notice and hearing, and without liability to the owner thereof, utilize any and all available legal remedies to seek the removal of any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to assess and collect its legal fees from the Co-owner in all such enforcement actions, in accordance with Article XXI of these Bylaws.

The Association may also assess fines for violations of the restrictions imposed by this Section in accordance with these Bylaws and any duly adopted rules and regulations of the Association.

**Section 5. Aesthetics; Outdoor Holiday Decorations.**

(a) **Storage.** 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.

(b) **Garage Doors.** Garage doors shall be kept closed at all times except as may be reasonably necessary to gain access to or from any garage.

(c) **Unightly Conditions.** No unsightly condition shall be maintained on any patio, porch or deck. Only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain in such areas. The General Common Elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics.

(d) **Trash.** Trash, refuse and recycle receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash and recyclables.

(e) **Holiday Decorations.** All outdoor decorations must be maintained in good condition and removed from sight when not in use. The Board may adopt reasonable rules and regulations regarding the acceptable periods of time during the year when holiday decoration may be displayed.

(f) **BBQ Grills.** There shall be no outdoor cooking or barbeques except in areas designated therefor by the Board of Directors. Nothing herein contained shall be construed to require the Board of Directors to so designate an area for outdoor cooking or barbeques.

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

**Section 6. Use of Common Elements.** Sidewalks, yards, landscaped areas, driveways, roads, parking areas and porches shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No items of personal property (such as bicycles, vehicles, chairs, or benches) may be left unattended on or about the Common Elements.

**Section 7. Vehicles and Parking.**

(a) **Generally.** Subject to sub-Sections 7 (b) through (f) below, all use of motorized vehicles anywhere on the Condominium Premises, other than passenger cars, pickup trucks, vans, sport utility vehicles, motorcycles, and authorized maintenance vehicles, is absolutely prohibited.

The Board may adopt reasonable rules regarding permissible size limitations of any permitted vehicle.

**(b) Recreational Vehicles.** No mopeds, go-carts, house trailers, commercial vehicles, boat trailers, boats, club wagons, box trailers, personal watercraft, camping vehicles, camping trailers, motorcycles, all-terrain vehicles, snowmobiles, snowmobile trailers, dune buggies, mobile homes, motor homes, or any vehicles other than automobiles or vehicles used primarily for general personal transportation use, may be parked or stored upon the premises of the Condominium unless parked in the Co-owner's garage with the garage door closed.

The Board of Directors shall have discretion to issue rules and regulations which provide for the temporary presence or operation of recreational vehicles upon the Condominium Premises for proper purposes, such as for the loading and unloading of said vehicles.

**(c) Parking.** All vehicles shall be parked in the Co-owner's garage, and the Co-owner (and their Tenant, guest and Non-Co-owner Occupant) shall park any additional vehicle which they own or use in their assigned Limited Common Element driveway. Any vehicle that is parked in a driveway shall not extend into or block the street.

Overnight parking on the Condominium streets is generally prohibited, subject to any exceptions which the Board may permit pursuant to any duly adopted rules and regulations on overnight parking.

The Association may limit or prohibit parking on any or all of the Condominium roads and may institute whatever enforcement means it deems appropriate including, without limitation, ticketing and/or towing of vehicles in violation, either by public or private agencies.

No vehicle may be parked, stored or maintained on any lawn areas within the Condominium Premises.

The Board of Directors may make reasonable rules and regulations governing the parking of vehicles in the Condominium consistent with the provisions hereof. All Co-owners, Non-Co-owner Occupants, Tenants and their guests shall at all times comply with the Association's rules and regulations regarding the parking of vehicles on the Condominium Premises.

**(d) Nonoperational Vehicles.** Nonoperational vehicles, and vehicles with expired license plates shall not be parked or stored upon the Condominium Premises except in the garage. Any unlicensed or non-operative vehicle parked on or within the exterior Common Elements for more than two consecutive weeks will be deemed abandoned and subject to removal at the expense of the owner.

Vehicles which detract from the appearance of the Condominium shall not be parked or stored on the Condominium Premises. Co-owners shall not use the General Common Elements for the storage of vehicles. Non-emergency maintenance or repair of motor vehicles shall not be permitted on the Condominium Premises except within a Co-owner's garage.

(e) **Commercial Vehicles.** Commercial vehicles and trucks shall not be parked in or about the Condominium unless while making deliveries or pick-ups or providing services in the normal course of business, or unless parked in the Co-owner's garage with the garage door closed.

For purposes of this Section, the term "commercial vehicle" means any vehicle that has at least any one of the following characteristics:

- (i) more than two axles;
- (ii) gross vehicle weight rating in excess of 10,000 pounds;
- (iii) visibly equipped with or carrying equipment or materials used in a business; or
- (iv) carrying a sign advertising or identifying a business.

(f) **Towing.** The Association's Board of Directors shall have the right to place or cause to be placed adhesive windshield stickers on any vehicles improperly parked, and may cause any vehicles parked or stored in violation of Condominium Documents to be removed from the Condominium Premises, and the cost of such removal may be assessed to, and collected from, the Co-owner of the Unit responsible for the presence of the vehicle in the manner provided in Article II hereof.

**Section 8. Advertising and Signs.** 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 without written permission from the Board. This prohibition includes, but is not limited to, "Open," "For Sale," "For Rent," and political signs.

Notwithstanding the foregoing, a Co-owner may keep one "For Sale" or "For Rent" sign in their window that is visible from the Unit exterior. The Board may adopt reasonable rules and regulations to permit "Open House" signs of a temporary nature to be placed on the Common Elements or in the windows of Units.

**Section 9. Rules and Regulations.** It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners and shall become

effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of the Co-owners representing more than fifty (50%) percent of all of the Units in the Condominium.

**Section 10. Right of Access of Association.** The Association and its duly authorized agents shall have access to each Unit and its Limited Common Elements 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 its Limited Common Elements at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit.

It shall be the responsibility of each Co-owner to provide the Association means of access to their Unit and its Limited Common Elements 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 their Unit and/or its Limited Common Elements caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

In the event that it is necessary for the Association to gain access to a Unit to make repairs to prevent damage to the Common Elements or to another Unit or to protect the safety and welfare of the inhabitants of the Condominium, the costs, expenses, damages, and/or attorney fees incurred by the Association in such undertaking shall be assessed to the responsible Co-owner and collected in the same manner as provided in Article II of these Bylaws, including all damages resulting from any Co-owner or their tenants, family, occupants, invitees or contractor's failure, refusal or delay in providing access to the Association.

The Association shall have no liability for damages to a Co-owner's alterations, betterments, improvements or customizations resulting from the Association's efforts to gain access to any Common Element, nor shall the Association be held liable for the expenses of the removal or replacements of any such obstructions.

**Section 11. Landscaping and Decoration of Common Elements; Co-owner Duty to Maintain; Co-owner Liability for Landscaping Alterations; and Exterior Lighting.**

(a) **Landscaping and Decoration of Common Elements.** No Co-owner shall perform any landscaping by removing or planting any trees, bushes, shrubs, flowers, mulch, or installing any stones, landscaping blocks, or edging upon the Common Elements unless the same is approved by the Association's Board of Directors in writing and is in total conformance with the Master Deed, Bylaws and the Association's rules and regulations regarding landscaping as may be published from time to time. All approvals given by the Board to a Co-owner for landscaping shall be set forth in a recordable Consent to Alteration/Modification Agreement pursuant to Section 2 (a) of this Article VI.

(b) **Co-owner Duty to Maintain Landscaping Alterations.** Any landscaping performed by the Co-owner, and any such trees, shrubs, or flowers planted by the Co-owner, if and when approved, shall be the responsibility of the Co-owner to maintain. The Co-owner's duty to maintain such landscaping shall pass to all subsequent Owners of the Unit, and the Consent to Alteration/Modification Agreement executed by the Board and the Co-owner for the landscaping shall state this requirement.

In the event that such Co-owner fails to adequately maintain such landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted by the Co-owner to the satisfaction of the Association, the Association shall have the right to perform such maintenance and assess and collect from the Co-owner the cost thereof in the manner provided in Article II hereof. The Association may also decide, in the Board's discretion, to remove any landscaping alterations that the Co-owner installed but has failed or refused to properly maintain, and may assess the Co-owner's Unit for any and all costs and expenses incurred in restoring the landscaped area and items to their prior condition.

(c) **Co-owner Liability for Landscaping Alterations.** Co-owners may not install any landscaping that might adversely affect drainage on the Common Elements. The Co-owner shall also be liable for any damages to the Common Elements arising from the performance of such landscaping or the planting of such trees, shrubs, or flowers, or the continued maintenance thereof.

(d) **Association's Right to Access Common Elements.** Should access to any Common Elements of any sort be required, or should any materials specified in this Section interfere with maintenance or services provided by the Association, the Association may remove any obstructions of any nature that restrict such access and/or services 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 and/or performance of such services, nor shall the Association be responsible for monetary damages of any sort arising out of any such actions.

(e) **Exterior Lighting.** No spotlights, floodlights or similar type high-intensity lighting shall be placed on the Common Elements or utilized in any Unit which in any way allows light to be reflected upon or into any other Unit or the improvements thereon or upon any Common Elements. Other types of low-intensity lighting which do not disturb other Co-owners or other occupants of the Condominium may be permitted by the Board of Directors in its sole discretion.

**Section 12. Co-owner Maintenance.** Each Co-owner shall have the following duties and shall be fully liable for any and all expenses or damages which may result from any failure to perform any of these duties:

(a) maintain the Unit and its Limited Common Elements in a safe, clean and sanitary condition, including but not limited to caulking tubs and shower enclosures, grouting all tile work, replacing any leaking fixture and appliance.

(b) use due care to avoid damaging any of the Common Elements, other Units, contents and/or improvements, including, but not limited to, the telephone, water, gas, plumbing, sump pump, electrical or other utility conduits and systems and any other elements in any Unit which serve or which may affect any other Unit.

(c) maintain heat of at least fifty degrees (50) Fahrenheit inside their Unit so as to prevent pipes from freezing.

(d) winterize (close water valves, shut off ice-makers) their Unit and all water spigots on the Unit's exterior during all periods of absence when freezing temperatures may reasonably be anticipated.

(e) cause their Unit to be timely monitored during all periods of absence to assure that all windows and doors are securely closed and locked, no water is continuously running or escaping from any pipe, toilet, fixture or appliance and to assure that adequate heat is being maintained.

(f) promptly report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement and any other circumstances which if not promptly reported and attended to, could result in loss or damage to any Common Element or any Unit.

(g) adequately insure their Unit in accordance with Article IV.

Each Co-owner shall be responsible for damages or costs to the Association, or to other Co-owners, as the case may be, resulting from damage to or misuse of any of the Common Elements or Units by the Co-owner, or their family, guests, tenants, land contract purchasers, agents or invitees, whether or not such damage resulted from the negligence of any such parties, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless full reimbursement to the Association is excluded by virtue of a deductible provision, exclusion, or other term of the Association's insurance policy, in which case the responsible Co-owner shall bear the expense to the extent of the deductible or excluded amount in accordance with Article IV, Section 2 (f) of these Bylaws and applicable provisions of the Master Deed). Any costs or damages to the Association or to other Co-owners, as the case may be, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

The Co-owners shall have the responsibility to report to the Association any Common Element in or about their Unit which has been damaged or which is otherwise in need of maintenance, repair or replacement and any other circumstances which if not promptly reported and attended to, could result in loss or damage to any Common Element. All damages resulting from the failure of the Co-owner to report any of the foregoing items may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. Each Co-owner shall have these responsibilities and liabilities regardless of whether they occupy the Unit or the Unit is occupied by their tenant, guest, or any other non-Co-owner occupant.

**Section 13. Drones.** For the safety and privacy of all owners and occupants in the Condominium and to protect improvements at the Project, no drones, unmanned aerial vehicles (UAV), or similar remote- or radio-controlled aerial devices shall be allowed or flown anywhere in the Project, whether inside or outside a building, except as might be expressly permitted or required by any federal or state law. Any such devices found unattended on the Common Elements may be confiscated by the Association and deemed abandoned by the owner, in which event the Association and its agents shall have absolutely no liability whatsoever to the owner of the drone, vehicle or device for such confiscation. Notwithstanding the foregoing, drones that are used or operated by contractors for maintenance purposes on the Common Elements are permitted.

**Section 14. Electric Vehicle Charging Stations on the General Common Elements.** The Board may promulgate, adopt and enforce Rules providing for reasonable restrictions on electric vehicle charging stations (“EVCS”) on the General Common Elements. Such Rules are permitted provided they do not significantly increase the cost of the station or significantly decrease the efficiency or specified performance. Further, such Rules may restrict installation in General Common Element areas and may require that the Association be indemnified for loss or damage caused by installation, maintenance, or use of EVCS.

As a pre-requisite to the installation of an electric vehicle charging station on the general Common Elements, the Co-owner must provide an engineer’s opinion that the electric service for the Condominium is robust enough to withstand the additional demand for charging electric vehicles, not just for the Co-owner, but for other Co-owners of the Condominium who might make a similar request in the future.

Any Owner whose application for the installation of an EVCS on the General Common Elements has been approved, must:

- (a) comply with the Association’s architectural standards for the installation of the charging station,
- (b) engage a licensed and insured contractor to install the charging station,
- (c) meet all applicable health and safety standards, building codes and other requirements imposed by state and local authorities, as well as all other applicable zoning, land use or other ordinances, or land use permits,
- (d) within fourteen (14) days provide a certificate of insurance that names the Association as an additional insured under the Owner’s insurance policy in an amount satisfactory to the Board of Directors, and
- (e) pay for the costs to install the station and for the electricity usage associated with the charging station.

**Section 15. Anti-Harassment Policy.** Co-owners, tenants, occupants, licensees, invitees, and guests of the Condominium and their family members shall not engage in any abusive, threatening, profane or harassing behavior, either verbal or physical, or any other form of intimidation or aggression directed at the Board of Directors or at any other Co-owner, tenant, occupant, licensee, invitee, family member or guest of the Condominium, nor shall they engage in any such behavior directed toward the Association's property manager, its agents or employees, or at any other vendor or contractor of the Association.

The Association may impose fines against a Co-owner for any violation of this Section in accordance with these Bylaws, in addition to pursuing any further remedies that might be available to it under the Condominium Documents or other applicable law.

**Section 16. Assessment of Costs of Enforcement.** Any and all costs, damages, expenses and/or attorney fees (including but not limited to any pre-litigation attorney fees and costs) 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 9 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

### LEASING AND NON-CO-OWNER OCCUPANCY OF UNITS

#### **Section 1. Definitions.**

(a) **Tenant.** The term "Tenant" shall mean any Non-Co-owner Occupant that occupies or resides within a Unit pursuant to a lease (of any duration) with a Co-owner, regardless of whether the lease is oral or in writing, in exchange for the payment of rent or any other valuable consideration.

"Tenant" shall also include any Non-Co-owner Occupant who might be leasing a Unit, even if the lease is not directly with a Co-owner of the Unit but with a third party that was permitted or authorized to lease the Unit by the Co-owner.

This definition shall not be construed as permitted an oral lease of a Unit when the Condominium Documents or the Act requires a written lease.

(b) **Non-Co-owner Occupant.** "Non-Co-owner Occupant" means any person who resides in or occupies a Unit for any period of time and who is not an Owner of the Unit in which they reside or occupy, regardless of whether the Occupant is related (by blood, marriage, or otherwise) to the Owner of the Unit. Unless otherwise specifically provided in the Condominium Documents, the term "Non-Co-Owner Occupant" is inclusive of the term "Tenant."

If a Unit is owned by a legal entity (such as a corporation, partnership, trust or limited liability company) and not by an individual person, then a shareholder, director, partner, present beneficiary of a trust, or member (as applicable) of the entity that owns the Unit shall not be considered a “Non-Co-owner Occupant” if they occupy or reside in the Unit owned by the entity, as long as that person owns at least fifty percent (50%) of the entity.

(c) **Lease.** Unless otherwise specifically indicated elsewhere in the Condominium Documents, for all purposes the term “Lease” shall mean any occupancy agreement whereby a Unit is occupied by any Tenant in exchange for the payment of rent or any other valuable consideration, regardless of: (1) whether the lease is oral or in writing, (2) the duration of the arrangement or agreement, and (3) whether the Tenant is related (by blood, marriage or otherwise) to the Co-owner of the Unit.

(d) **Resident.** “Resident” means an Owner, Tenant, or any Non-Co-owner Occupant who resides within a Unit and utilizes the Unit as their primary residence.

An Owner, Tenant or Non-Co-owner Occupant may provide a Michigan driver’s license, voter’s registration, or other such documentation as evidence that the person currently resides in the Unit as their primary residence. The Board shall have sole discretion to determine whether an Owner, Tenant or Non-Co-owner Occupant is a “Resident” of a Unit based on the documentation and evidence provided.

**Section 2. General – Right to Lease – Residential Condominium Unit.** Subject to the Leasing Limit set forth below, a Co-owner may enter into an agreement for the lease of their Unit for the same purposes set forth in Article VI, Section 1 provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in Section 4 below.

No Co-owner shall lease less than an entire Unit in the Condominium and no tenant shall be permitted to occupy except under a written lease, the initial term of which is at least six (6) months. If the Association acquires title to any Unit (whether via foreclosure or otherwise) as a result of or in relation to the Association’s effort to collect amounts owed on the Unit’s account, such an Association-owned Unit shall be exempt from the six-month minimum initial lease term requirement.

All leases must be set forth in writing and shall be signed and dated by the Co-owner and his or her tenant(s). No subleasing of a Unit shall be allowed. No rooms within a Condominium Unit may be rented and no transient tenants may be accommodated in any event. For purposes of these Bylaws, a “transient tenant” is any non-Co-owner who resides in a Condominium Unit for less than 30 days. Co-owners of rented Units may not provide any services to their tenants that might be commonly associated with hotels.

Any leasing of a Dwelling in conjunction with a Co-owner’s or Tenant’s utilization of “Airbnb,” “VRBO,” “Flipkey,” or any other similar service or company is expressly prohibited to

the extent that the lease does not comply with the one-year minimum initial lease term set forth herein.

The Board may adopt further Rules and Regulations as might be relevant to the application, interpretation and/or enforcement of the provisions of this Article VII.

**Section 3. Exemptions for Government Mortgage Lending Entities.**

(a) **HUD, Fannie Mae and Freddie Mac.** Any mortgage lender who acquires title to a Unit via foreclosure or a deed in lieu shall be exempt from the restrictions against leasing contained in this Article VII to the extent that such an exemption would be required in order for these Bylaws to comply with the standards and rules for mortgage lending, insuring and/or underwriting currently followed by the U.S. Department of Housing, the Federal Home Loan Mortgage Corporation, and/or the Federal National Mortgage Association.

(b) **VA Mortgages.** To the extent that any provision set forth in these Bylaws regarding leasing is inconsistent with the requirement(s) of guaranteed or direct loan programs of the United States Department of Veteran Affairs, as set forth in chapter 37 of title 38, United States Code, or part 36 of title 38, Code of Federal Regulations (“VA Mortgage Financing”), such provision shall not apply to any Unit that is:

(i) encumbered by VA Mortgage Financing, or

(ii) owned by the Department of Veterans Affairs, or

(iii) owned by a Co-owner who is both eligible to obtain VA Mortgage Financing and who is in fact applying for such financing, but only to the extent that a waiver of the Bylaws’ leasing requirements is required for the Co-owner to obtain such financing.

**Section 4. Leasing Procedures.**

(a) **Lease Form.** A Co-owner desiring to lease their Unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee of the Unit and, at the same time, shall supply the Association with a copy of the exact lease form for the Board to review for compliance with the Condominium Documents.

The Board may require the Co-owner to provide additional informational forms relating to the lease as might be specified in the Board’s duly adopted rules and regulations regarding leasing.

All leases shall be deemed to incorporate all of the provisions of the Condominium Documents. Tenants and Non-Co-owner Occupants shall comply with all of the conditions of the Condominium Documents, and all leases shall so state.

(b) **Background Check.** In addition, any Co-owner who desires to lease their Unit shall provide the Board with written verification and confirmation that they have obtained a background check from a Board-approved company for all of the intended occupants of the Unit who are over the age of eighteen (18). This written verification and confirmation must be provided to the Board at least ten (10) days before the Co-owner presents the lease form to a potential lessee.

(c) **Contact Information.** A Co-owner who leases their Unit shall make sure that all contact information provided to the Board about the Tenant, as well as about the Co-owner himself or herself, is current and remains up to date.

If a Co-owner is not personally available to manage and maintain their leased Unit and/or to communicate with the Board or the Association's property manager on an ongoing basis regarding the leased Unit, then the Co-owner shall provide the Board with the name, mailing address, email address and phone number of a person specifically designated by the Co-owner for the Board to contact on an ongoing basis regarding all matters pertaining to the leased Unit.

(d) **Move-In/Move-out Fee.** At the discretion of the Board, upon the commencement of each new lease, a single nonrefundable move-in/move-out fee in the amount of up to \$600.00 may be assessed to the Co-owner.

Upon the commencement of each new occupancy arrangement where a Unit is to be solely occupied by Non-Co-owner Occupants who are not Renters, a single nonrefundable move-in/move-out fee in the amount of up to \$600.00 may be assessed to the Co-owner.

The Board of Directors may adopt rules and regulations governing the amount of this fee and the standards used to determine said fee, subject to the provisions of this subsection 4 (d).

(e) **Month-to-Month Tenancies after the Expiration of an Initial 6-Month Lease Term.** For all purposes of these Bylaws, as long as the initial term of a lease for a Unit satisfies the six-month minimum initial lease term requirement of Section 2 (and all other applicable provisions of this Article), a Tenant may continue to occupy a leased Unit on a month-to-month basis after the expiration of the initial six-month term (provided that the lease provides for such occupancy, and that the Tenant is not otherwise in violation of the lease or the Condominium Documents). In such cases, the "lease" and the "Tenant" shall be considered to be the same "lease" and "Tenant" as those which the Board approved under the initial lease of the Unit.

(f) **Duty of Co-owners with Month-to-Month Tenants to Update Association Every Three Years.** A Co-owner whose Tenant is living in their Unit on a month-to-month basis in accordance with the foregoing paragraph (i) must notify the Association's Board in writing at least every three (3) years from the date of the commencement of their month-to-month tenancy if the tenancy still continues and whether any of the Tenants or Occupants of the Units have changed since the initial lease term began.

If at any time during such a month-to-month tenancy there is any change in the number or identity of the Tenants or Occupants living in the Unit or in any of the lease terms, then the Co-owner must notify the Board regarding any such changes in writing and in full compliance with the Condominium Documents. The Co-owner must notify the Board about any such changes in writing at the time the change occurs.

If Co-owner fails to provide this information about their Tenant to the Board in a timely fashion, then they may be subject to any and all of the Association's remedies provided in the Bylaws, including (but not limited to) the eviction of the Tenant.

A Tenant who is living in a Unit on a month-to-month basis in accordance with subparagraph (e) above has the same obligations as any other Tenant living in a Unit in the Condominium to comply with Condominium Documents, including any duly-adopted rules and regulations adopted by the Board regarding such tenancies.

**Section 5. Requirement for Co-owners to Provide Information about Non-Co-owner Occupants (Other than Tenants) Solely Occupying a Unit.** Notwithstanding the limits on leasing set forth elsewhere in this Article VII or elsewhere in these Bylaws, a Co-owner may allow Non-Co-owners who are not paying any rent or other consideration to the Co-owner to solely occupy their Unit. If any Co-owner intends to permit any Non-Co-owners to solely occupy their Unit without the payment of any rent or other consideration to the Co-owner pursuant to a written lease, the Co-owner shall nevertheless provide the following information in writing in the form of a statement of occupancy agreement to the Association at least ten (10) days prior to the Co-owner allowing any such Non-Co-owner Occupants to take sole occupancy of the Co-owner's Unit:

(i) The full name, address, and contact information of all Non-Co-owner Occupants that will be solely occupying the Unit; and

(ii) A summary of the terms of the occupancy arrangement under which such occupants will solely occupy the Unit, including the expected duration of the occupancy;

(iii) A background check of all of the Non-Co-owner Occupants the same as is required for lessees under Section 4 (b).

For purposes of this Section, a Non-Co-owner Occupant who does not pay rent is "solely" occupying a Unit if a Co-owner of the Unit is not residing or occupying the same Unit as their primary residence along with the Non-Co-owner Occupant.

The Board may require the Co-owner to provide additional informational forms relating to the Non-Co-owner Occupant's sole occupancy of their Unit as might be specified in the Board's duly adopted rules and regulations regarding such occupancies. Co-owners shall make sure that all contact information provided to the Board about the Non-Co-owner Occupant as well as about the Co-owner himself or herself is current and remains up to date.

**Section 6. 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:

(i) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the Tenant or Non-Co-owner Occupant.

(ii) 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.

(iii) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its 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 Unit or the Condominium and for reasonable legal fees incurred by the Association in connection with legal proceedings hereunder.

**Section 7. 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 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:

(a) 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.

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

**Section 8. Limitations on Units That May be Rented; Definition of "Exempt Lease", "Total Leased Units"; General Exemptions; Exempt Transfers of Title.**

(a) **Leasing Limit.** No more than two (2) Units in the Condominium may be leased simultaneously at any given time (the "Leasing Limit" for purposes of these Bylaws).

(b) **Total Leased Units – Definition.** In determining whether the total number of leased Units within the Condominium (the “Total Leased Units”), exceeds the Leasing Limit at any given time, the following shall apply:

(i) **Leased Units.** The Association shall include in the Total Leased Units all of those Units that remain subject to Exempt Leases (as defined in Section 8 (c) below) as well as all other Units leased by Co-owners after the enactment of these amendments.

(ii) **Units Solely Occupied by Non-Owner Occupants who are not Tenants.** Any Units which are solely occupied by Non-Co-owner Occupants who are not Tenants (i.e., who are not paying rent or any other consideration to the Unit’s Owner) shall not be included in the number of Total Leased Units.

Whether a Co-Owner is a “Resident” living with a Non-Co-Owner Occupant shall be determined as set forth in Section 1 (d) above. If a Co-Owner who claims to be living with a Non-Co-owner Occupant who is not a Tenant does not satisfy the requirements for being a “Resident” under Section 1 (d) of this Article, then the Unit shall be deemed to be solely occupied by Non-Co-owner Occupants who are not Tenants for all purposes of this Article VII.

(ii) **Leased Units that are Owned by Government Mortgage Lending Entities.** Any Units being leased out by any bank or mortgage lender, the U.S. Department of Housing, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or the Department of Veterans Affairs who took title to the Units via foreclosure or a deed in lieu shall not be included in calculating the number of Total Leased Units under this Paragraph.

(iii) **Leased Units Owned by the Association.** Any Unit to which the Association acquired title (whether via foreclosure or otherwise) as a result of or in relation to the Association’s effort to collect amounts owed on the Unit’s account shall be exempt from the restrictions on leasing contained in Sections 8 through 12 herein, including (but not limited to) the Leasing Limit restriction. Such Units shall not be included in the number of Total Leased Units.

(iv) **Units Occupied by Land Contract Purchasers.** Any Unit that is solely occupied by a land contract purchaser also shall be included in the Total Leased Units unless the Owner and purchaser have obtained an exemption from the Board for a Bona Fide Land Contract under Section 12.

If a Co-owner claims to be living together with a land contract purchaser of a Unit, the Co-owner must satisfy the requirements for being a “Resident” under Section 1 (d). If the Co-owner cannot satisfy those requirements, the Unit shall be deemed to be solely occupied by the land contract purchaser.

(v) **Units Leased under a Temporary “Hardship Exemption.”** Any Unit that is leased pursuant to a “hardship exemption” granted to the Co-owner by the Board under Section 11 shall not be included in the Total Leased Units.

(c) **Exempt Lease – Definition and Requirements.** For all purposes of this Article VII, the term “Exempt Lease” shall only mean a lease that meet all of the following requirements:

(i) The lease for the Unit was in writing and signed by the Unit’s Co-owner and their Tenant prior to the date of the recording of these amendments;

(ii) The lease was still in effect as of the recording date of these amendments and the Tenant was still occupying the Unit as of said date;

(iii) A copy of the written lease was already in the Association’s possession as of the recording date of these amendments.

If a copy of a Co-owner’s written lease for their Unit existed but was not on file with the Association as of the date of the recording of these amendments, then the Co-owner may satisfy requirement (i) through (iii) above if they provide the Association with a written copy of the lease within thirty (30) calendar days of the date of the Association’s mailing of these recorded amended Bylaws to the Co-owners.

If a Co-owner’s lease existed but was not in writing as of the date of the recording of these amendments, then in order to satisfy requirement (i) through (iii) above, the Co-owner and their Tenant must execute a written lease for the Unit and provide a copy of said lease to the Association within thirty (30) calendar days of the date of the Association’s mailing of these recorded amended Bylaws to the Co-owners.

If a Unit is solely occupied by Non-Co-owner Occupants who are not Tenants as of the date of the recording of these amendments, such occupancy arrangements shall be not be affected by the Leasing Limit only if the Co-owner provides the Association with the information and statement of occupancy agreement that they are required to provide under Section 5 in writing within thirty (30) calendar days of the date of the Association’s mailing of these recorded amended Bylaws to the Co-owners. Upon providing such information to the Association in a timely fashion, such a Unit that was solely occupied by Non-Co-owner Occupants at the time of recording of the amendments shall be treated the same as a Unit having an Exempt Lease.

Any other leases or other occupancy arrangements that do not fully comply with the requirements of this Section 8 (c) shall not constitute “Exempt Leases” for purposes of these Bylaws and shall be fully subject to the Leasing Limit.

(d) **Exemptions – Written Leases; General Exemption (“Grandfathering”) for Units Subject to Exempt Leases.**

(i) **Written Leases in Effect as of Date of Rental Restriction Amendments.** As required by the Michigan Condominium Act, any written lease existing between a Co-owner and their Tenant as of the date of the recording of this amendment shall not be affected by this leasing limitation, provided that the lease, the Co-owner and their Tenant are otherwise in full compliance with all relevant provisions of these Bylaws and the Condominium Act.

Upon expiration of the written lease, the Co-owner, Tenant and their Unit shall be fully subject to the Leasing Limit and other related leasing restrictions contained in this Article VII unless the Co-owner's lease satisfies the definition and requirements for an "Exempt Lease" set forth in Article VII, Section 8 (c) above.

(ii) **General Exemption ("Grandfathering") for Unit having an Exempt Lease until Unit is Sold or Conveyed.** Any Co-owner that is a party to an Exempt Lease at the time of the recording of these amendments shall continue to have the right to lease the Co-owner's Unit that was the subject of the Exempt Lease, regardless of any of the restrictions against leasing contained in Sections 8 through 12 herein (including, but not limited to, the Leasing Limit), until the Co-owner sells, conveys or otherwise becomes divested of title to said Unit, at which point the Unit shall become fully subject to all such leasing restrictions (subject to Section \_\_ below regarding Exempt Transfers of Title). Any and all subsequent owners of the Unit shall have to follow the waitlist and other relevant procedures stated herein in order to lease the Unit.

(e) **Exempt Transfers of Title for "Grandfathered" Units.**

(i) **Transfers to Immediate Family.** The addition of a Co-owner's spouse, son or daughter to the title of any Unit that was subject to an Exempt Lease shall not be considered a sale, conveyance or divestiture of the Co-owner's title to the Unit for purposes of Section 8 (d) (2) above.

Notwithstanding any of the foregoing provisions in this Article, a transfer of title to a Unit that is solely between a Co-owner and their spouse, son and/or daughter (or any combination thereof) shall not result in the loss of a Co-owner's right to continue leasing out a Unit that was subject to an Exempt Lease.

(ii) **Transfers to Familial Legal Entities.** A Co-owner's transfer of ownership of any Unit that was subject to an Exempt Lease to a separate legal entity shall not result in the loss of the Co-owner's right to continue leasing said Unit under sub-Section 8 (d) (ii) provided that the legal entity is not owned (in whole or in part) by anyone other than the transferring Co-owner and/or their spouse, sons and/or daughters (or any combination thereof).

If the transferee entity is a corporation, then all of the shareholders and directors of the entity must either be Co-owners of the Unit or the spouses, sons and/or daughters of Co-owners. If the transferee entity is a limited liability company, then all of the members of the company must be Co-owners of the Unit, or the spouses, sons and/or daughters

of Co-owners. If the transferee entity is a partnership, then all of the partners of the partnership must be Co-owners of the Unit or the spouses, sons and/or daughters of Co-owners. If the entity is a trust, then all of the present beneficiaries of the trust must be Co-owners of the Unit or the spouses, sons and/or daughters of the Co-owners.

(iii) **Testamentary Transfers.** Any testamentary transfer of ownership of a Unit which takes effect upon the death of the transferring Co-owner by operation of law or via a legal instrument or devise (including, but not limited to, transfers via a Co-owner's will or trust) shall not result in the loss of the deceased Co-owner's exemption from the leasing restrictions granted under Section 8 (d) (ii) above, provided that ownership to the Unit does not vest in anyone other than the deceased Co-owner's spouse, sons and/or daughters (or any combination thereof) as a result of such transfer.

**Section 9. Wait List.** For purposes of this Section 9, the term, "leased Unit" shall only include a Unit which is leased by a Tenant as that term is defined in Section 1 (a) of this Article VII.

(a) **Procedure.** The Board shall maintain a list of all of the approved leased Units in the Condominium, in addition to a waiting list of those Co-owners who, on a first-come, first-serve basis, wish to lease their Units. In order to obtain a spot on the waiting list, a Co-owner must notify the Board of Directors of their desire to lease out their Unit in a signed and dated writing, email, or letter.

Upon a Co-owner's written request, the Board or the Association's managing agent shall provide the following information contained in the waitlist to the Co-owner: the number of Total Leased Units in relation to the Leasing Limit, the number of available rental spots under the Leasing Limit at that time (if any), and the number of Co-owners currently on the waitlist (including the number of Co-owners that are ahead of the Co-owner on the waiting list as of the date on which the Co-owner requests the information).

In the event that any Co-owner applies for approval of a lease that would result in the number of Total Leased Units in the Condominium exceeding the Leasing Limit, the Board shall disapprove the request unless it grants a Hardship exemption to the Co-owner pursuant to Sections 11 or 12 of this Article. Upon disapproving the request, the Board shall place the Co-owner's name on the waiting list.

(b) **Time Limit for Retaining Right to Lease after Expiration of Current Lease.** Any Co-owner who has an approved lease shall forfeit their right to lease to the next Co-owner on the waiting list if that Co-owner fails to execute a lease renewal or extension with the Co-owner's existing Tenant and provide the Board with a copy of said document at least 15 days prior to the expiration of the tenant's existing lease term, or (if the Co-owner does not choose to renew or extend the existing Tenant's lease) the Co-owner fails to execute a lease with a new Tenant within six (6) months from the expiration of the Co-owner's existing approved lease.

The requirements of foregoing paragraph shall not apply to any Unit leased by a Co-owner if the Co-owner chooses to permit the same Tenant to continue leasing the Unit on a month-to-month basis after the expiration of a lease's initial six-month-term (as further described in Section 4 (e) of this Article VII).

(c) **Time Limit for Leasing for Next Co-owner on Waitlist.** The next Co-owner on the waiting list shall have the right to lease their Unit whenever the number of Total Leased Units in the Condominium is reduced below the Leasing Limit. If the next Co-owner on the waiting list does not wish to lease their Unit, or if they are unable to execute a lease with a Tenant within six (6) months from the date on which they received written notification from the Association that the lease allocation was available, then they shall forfeit their respective place on the waiting list.

(d) **Waitlist Spot not Transferred with Unit.** In the event of any sale, conveyance or other transfer of a leased Unit, any and all of the Co-owner's existing rights to lease the Unit shall terminate and shall not be transferred with the Unit to the purchaser or grantee of said Unit (subject to the exemptions contained in Article VII, Section 8 (e) above). Such a purchaser or grantee of a Unit may not lease the Unit without fully complying with all of the other restrictions on leasing contained in this Article VII.

The sale or conveyance of a Unit shall result in the Unit losing its spot on the waitlist, and the purchaser or grantee of any such Unit shall have to re-apply to obtain a place on the list.

(e) **Coordination with Hardships Exemptions.** If the Board grants the Co-owner a temporary hardship exemption to lease their Unit under Section 10 below, the Co-owner shall forfeit their spot on the waiting list in exchange for their receipt of the hardship exemption.

**Section 10. Board's Authority to Allow Temporary Leasing for Objectively Verifiable Hardships.** Even if a proposed lease of a Unit to Tenants would result in the number of Total Leased Units in the Condominium exceeding the Leasing Limit, or would otherwise violate any of the restrictions against leasing contained in this Article VII, the Board of Directors may approve the temporary leasing of a Unit, and may grant such other temporary exemptions from the restrictions against leasing contained in this Article, for a period not to exceed one (1) year as may be appropriate, if at least one of the following circumstances is documented in a written request submitted to the Board of Directors:

(a) the Co-owner needs to relocate because of an involuntary job transfer where the location of the new employer is more than fifty (50) miles from their current place of employment;

(b) the Co-owner has died, and the Co-owner's personal representative or trustee desires to lease the Unit during the administration of the estate or trust of the deceased Co-owner;

- (c) the Co-owner has been called to active duty in the armed forces of the United States;
- (d) the Co-owner has been transferred to a facility to receive extended medical care; or
- (e) any other objectively verifiable hardships.

Any written statements regarding the Co-owner's hardship provided by the Co-owner himself or herself must be the form of a notarized affidavit. The Co-owner shall also provide relevant documentation from independent parties, professionals and non-Co-owners to substantiate the hardship to the extent possible (as applicable).

The Board may adopt reasonable rules and regulations to further define "objectively verifiable hardships" within the parameters established in these Bylaws and the Condominium Documents. Such rules may further define the types of "objectively verifiable hardships" that will satisfy the requirements of this Section 10 and the procedures that the Board will employ in making decisions on Co-owner requests for hardship exemptions.

A Co-owner may petition the Board in writing on a year-to-year basis for an extension of a one-year temporary exemption that the Board may have granted previously to the Co-owner. The Board may, in its sole discretion, grant the petition and approve the extension for additional one-year terms on an annual basis if the Co-owner continues to demonstrate an objectively verifiable hardship each year. In any event, no Co-owner may lease their Unit under a hardship exemption for more than three (3) consecutive years. Notwithstanding any other provisions of this Section 10 or elsewhere in the Bylaws, the Board shall not approve a hardship exemption for any Unit if such approval would result in there being more than two (2) Units in the Condominium being leased under hardship exemptions at any given time.

The Board's grant of a temporary hardship exemption to a Co-owner under this Section does not provide the Co-owner with any waiting list rights for the Unit.

A Co-owner who is granted a hardship exemption shall provide the Board with the name, address and phone number of a person whom the Board may contact regarding all matters pertaining to the leased Unit in the event that the Co-owner is indisposed or otherwise not available to properly manage the leased Unit on an ongoing basis.

**Section 11. Bona Fide Land Contract Exemption.** In addition to being able to grant a one-year hardship exemption for the reasons outlined in Section 10 above, the Board may approve an exemption for a land contract that lasts longer than one year only if the land contract seller and purchaser provide the following documentation to the Board for its review and approval:

- (i) A copy of the land contract fully executed and notarized by both the seller and the purchaser of the Unit;

(ii) A copy of either a land contract memorandum or the land contract itself as recorded with the Register of Deeds; and

(iii) Any other documentation which may prove the land contract to be bona fide in all respects, and not just an attempt by the Co-owner and the Unit Occupant to evade the rental restrictions contained in this Article VII.

The Board shall decide, in its sole discretion, whether the land contract in question is bona fide and therefore eligible for an exemption from the rental restrictions contained in this Article VII based on all of the documentation provided to the Board for its review by the seller and purchaser.

If the seller and purchaser do not provide to the Board, at a minimum, the documentation set forth in Section 11 (i) and (ii) above, then they shall have no right to any exemption for their land contract under this Section 11.

A Unit subject to a land contract that has been approved for an exemption under this Section shall not count towards the “Total Leased Units” under Section 8 (b).

## ARTICLE VIII

### MORTGAGES

**Section 1. Co-owner Duty to Give Notice.** Any Co-owner who mortgages their Unit shall notify the Association of the name and address of the mortgagee within thirty (30) days of execution of the mortgage by the Co-owner. The Association of Co-owners shall maintain such information in a book entitled, “Mortgages of Units.”

**Section 2. Association Duties to Give Notice.** The Association, upon receiving a written request, shall promptly issue notice to each holder, insurer or guarantor of a first mortgage upon the occurrence of any of the following:

(a) Any proposed amendment of the Condominium Documents effecting a change in:

(i) the boundaries of any Unit or the exclusive easement rights appertaining thereto and/or

(ii) interests in the General or Limited Common Elements appertaining to any Unit or the liability for common expenses appertaining thereto and/or the number of votes in the Association appertaining to any Unit;

(b) The purposes to which any Unit or the Common Elements are restricted;

- (c) Any proposed termination of the Condominium Project;
- (d) Any condemnation loss or any casualty loss which affects a material portion of the condominium or which affects any unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;
- (e) Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to the mortgagee of such eligible holder, insurer or guarantor, where such delinquency has continued for sixty (60) days;
- (f) Any lapse, cancellation or material modification of any insurance policy maintained by the Association pursuant to paragraph 14 (a) (i) of HUD Manual 4265.1 Appendix 24;
- (g) The issuance of notice of an official meeting of the membership in which case each holder, insurer or guarantor of a first mortgage shall be allowed to designate a representative to attend such meeting;
- (h) Any default by the co-owner of such condominium unit in the performance of his obligations under the Condominium documents which is not cured within sixty (60) days; or
- (i) The name and address of each company insuring the Condominium against fire, and other perils under the Special Form coverage provided by the Association under Article IV of these Bylaws, including the amounts of such coverage. Upon request, the Association shall furnish an individual mortgagee with complete information on all insurance carried by the Association of Co-owners.

## ARTICLE IX

### VOTING

**Section 1. Vote.** Each Co-owner shall be entitled to one vote for each Condominium Unit owned. The value of each vote shall be equal.

Each Unit shall be allocated only one vote, regardless of how many Owners the Unit has. If a Unit has more than one Co-owner or is owned by a legal entity, Section 3 of this Article shall determine which Co-owner of the Unit or individual for such entity shall be recognized by the Association as having the right to vote the Unit's vote.

**Section 2. Eligibility to Vote.** No Co-owner shall be entitled to vote at any meeting of the Association until they have 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 Section 3 of this Article IX

below or by a proxy given by such individual representative. A Co-owner must be in Good Standing in order to be eligible to vote. The right to vote includes the right to sign petitions, and the Co-owner must be in Good Standing at the time of presentation and signature of a petition in order to validly sign or circulate a petition.

**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. The individual designated as the voting representative under this Section must be one of the Co-owners of the Unit that is the subject of the written notice. If a Unit is owned by a corporation or other legal entity, then only the individuals for such entities who would be eligible to serve as Directors under Article XII, Section 1 of these Bylaws may be appointed to serve as voting representatives for such entity-owned Units under this Section 3.

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 a Co-owner of the Unit that is the subject of the notice.

Such notice shall be signed and dated by the Co-owner of the Unit. If a Unit is owned by two persons or entities, then each Owner must sign the notice. If a Unit is owned by more than two Owners, then the signatures of a majority of the Owners of the Unit is required to designate the individual representative under this Section. The individual representative designated may be changed by the Co-owner(s) of the Unit at any time, by filing a new notice in the manner herein provided.

**Section 4. Voting.** Votes may be cast in person, by proxy, or by a written absentee ballot (including ballots cast by email) duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and written absentee ballots must be filed with the Secretary of the Association, or with such other person as the Association shall designate, at or before the appointed time of each meeting of the members of the Association. Such filings may be made by hand delivery, mail, fax, email, or by, any method permitted by the Nonprofit Corporation Act, including all methods of electronic transmission or communication permitted by the Act.

The Association's Board of Directors may require that the appointment of a proxy be set forth on a printed form furnished by the Association. Notwithstanding the foregoing, voting for the election of Directors at the Annual Meeting shall be conducted in person or by proxy only. Only members in Good Standing may vote a proxy for another Co-owner.

Cumulative voting shall not be permitted. "Cumulative voting" is defined as voting conducted in any election whereby the number of votes each Unit Owner gets to cast in the election is based on the number of Directors to be elected and the Owner is permitted to cast more than one (or all) of their votes for one candidate.

Any action which could be authorized at an annual or special meeting of the members, other than the election or recall of Directors, may be authorized without a meeting by the majority vote of the membership by written ballot in accordance with Section 408 of the Nonprofit Corporation Act. The ballot provided to the members shall set forth each proposed action, provide an opportunity for the members to vote for or against each proposed action, and shall specify a time by which the corporation must receive a ballot in order to be counted as a vote of the member. The time specified shall be not less than 20 or more than 90 days after the date the Association provides the ballot to the members.

**Section 5. Majority; Approval of Action by Written Ballot.** A majority, except where otherwise provided herein, shall consist of those Co-owners who represent more than fifty percent (50%) of the Units who are eligible to vote and present in person or by proxy (or written absentee ballot, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth.

For actions approved by written ballot without a meeting, an action is considered approved if the total number of members voting or the total number of member votes cast in ballots received by the Association by the time specified in the ballots equals or exceeds the quorum required to be present at a meeting to take the action, and the number of favorable votes equals or exceeds the number of votes that would be required to approve the action at a meeting at which the number of votes cast by members present in person, by proxy or by written absentee ballot was the same as the number of votes cast by written ballot.

## ARTICLE X

### MEETINGS

**Section 1. Location of Meeting; Procedure.** 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. Voting shall be conducted as provided in these Bylaws. Meetings of the Association shall be conducted in accordance with reasonable compliance with Roberts Rules of Order or some generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents or the laws of the State of Michigan.

**Section 2. Annual Meeting; Agenda.** Annual meetings of members of the Association shall be held on the second Tuesday of May each year, or during such other month and at such other date, time, and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

At the Annual Meeting of members, the order of business shall be as follows:

*AMENDED AND RESTATED BYLAWS – RIVER BEND PLYMOUTH  
ARTICLE IX, SECTIONS 4-5; ARTICLE X, SECTIONS 1-2*

- (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. The reading of the minutes may be dispensed with upon motion and approval by the Members at the Meeting.
- (e) Reports from officers.
- (f) Reports from committees.
- (g) Election of directors.
- (h) Miscellaneous business.

Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be president, vice president, secretary and treasurer.

**Section 3. Special Meetings.** It shall be the duty of the President (or another Director as designated by the Board) to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon receipt of a petition signed by those Co-owners who represent at least one-third (1/3) of the Units in Good Standing in the Condominium 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 Membership 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 ten (10) days but not more than sixty (60) days prior to such meeting.

The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article IX, Section 3, of these Bylaws shall be deemed notice served.

Each member shall be deemed to have consented to receiving notices electronically via email or text if they provide the Association with their email address or their phone number for texting purposes. 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 or written ballot of those Co-owners who represent thirty-five (35%) percent of the Units that are Good Standing 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. In calculating the 35% quorum requirement, the resulting number of Units required for quorum shall be rounded up. 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 lack 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 another date, time and location. If the Board of Directors does not announce the date, time and place for the adjourned meeting at the meeting at which the adjournment is taken, then the Association shall give proper notice of the date, time and place of the adjourned meeting to the Co-owners as required by these Bylaws and the Nonprofit Corporation Act.

**Section 7. Consent of Absentees.** The transactions of any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy or by written ballot; and if, either before or after the meeting, each of the members not present in person or by proxy, or written ballot, 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 8. Minutes; Presumption of Notice.** Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

The minutes taken at each meeting of the Co-owners shall record:

- (a) An explanation of each major matter discussed at the meeting;
- (b) Each issue on which a vote is taken; and
- (c) The number of votes for and against any matter on which a vote is taken.

The Board of Directors shall distribute the unapproved minutes of previous year's Annual Meeting minutes to the membership at least sixty (60) days prior to the date of the current year's Annual Meeting.

## ARTICLE XI

### BOARD OF DIRECTORS

**Section 1. Eligibility.** The affairs of the Association shall be governed by a Board of Directors all of whom must be members of the Association or the legal spouse of a member, and all Directors must be residents of the Condominium. Directors shall serve without compensation.

No candidate for election or appointment to the Board of Directors shall be eligible to serve (or if already elected or appointed, to continue to serve) if they are not in Good Standing.

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.

No legal entity (such as a corporation, partnership, trust or limited liability company) shall itself be eligible to serve as a Director of the Association. 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. If a member is a limited liability company, then only a member of the company shall be qualified and eligible to serve as a Director. If a member is a Trust, then only a present beneficiary of the trust shall be qualified and eligible to serve as a Director.

**Section 2. Size; Terms of Office.** The Board of Directors shall be composed of five (5) persons, subject to the provisions regarding the Board's discretion to fill a vacancy created by a Director's resignation set forth in Section 4 of this Article. The Board of Director shall manage the affairs of the Association.

Directors shall serve until their successors are elected at the next Annual Meeting. Directors shall take office immediately upon their election. The term of office for each Director elected by the membership shall be two (2) years. The Board shall have staggered terms of office, with either three (3) or two (2) Directors being up for election each year.

**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.

To the extent that the Condominium Documents or the Act vest a power in the Board of Directors, such a power shall be exclusively vested in the Board and may not be exercised or assumed by the co-owners (unless the Condominium Documents, the Act or other applicable law expressly require that the co-owners have a right to exercise or assume such a power).

The Directors have fiduciary duties to the membership, including the duty of loyalty to act only in the best interests of the members, as well as the duties of care and good faith. The Directors shall at all times govern themselves and their conduct in full accordance with these fiduciary duties.

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

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

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

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

(d) To rebuild improvements after casualty.

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

(f) To acquire, maintain and improve; and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any 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 seventy-five percent (75%) of all of the members of the Association in number and in value.

(h) To make rules and regulations in accordance with Article VI, Section 9 of these Bylaws.

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

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

(k) To open and maintain accounts with financial institutions or entities.

(l) To determine an annual budget and such other financial plans for Association funds as may be necessary or desirable for the maintenance, repair, remediation, replacement and reconstruction of the Common Elements, or in furtherance of administration of the affairs of the Association.

(m) To initiate, authorize, or ratify suits, actions, investigations, proceedings (civil, criminal or investigative) by the Association or defense of same against the Association, its Board Members, Officers, agents or third parties.

(n) To remit payment for property taxes or other liens assessed or attached to any Unit and the Condominium where necessary to preserve the Association's interest in the Unit and Condominium.

(o) To initiate, assert, defend, ratify or settle claims in any forum on behalf of all Co-owners in connection with or relating to, the maintenance, upkeep, repair, remediation, replacement and reconstruction of the Common Elements and administration or operation of the Community and, in the name of the Association.

(p) To resolve any threatened, potential, or existing liabilities in the best interest of the Association. The actions of the Board of Directors shall be governed by and reviewed in accord with by the Business Judgment Rule.

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

In no event shall the Board be authorized to enter into any contract with a professional management agent, in which the maximum term is greater than one (1) year, or which is not terminable by the Association with or without cause upon 60 days' written notice thereof to the other party, or which provides for a termination fee or penalty.

**Section 5. Vacancies; Filling a Vacancy after a Resignation.** 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 may be filled by a vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the next Annual Meeting of the members of the Association.

In the event that a Director resigns or is deemed to resign under any provisions of these Bylaws and there still remains at least three (3) Directors on the Board after the resignation, the remaining Directors may choose, in their discretion, to either appoint a replacement Director under this Section 5, or they may leave the Director's seat vacant until the next Annual Meeting, at which point the seat shall be filled at the next Annual Meeting by the Co-owners.

When a vacancy created by a Board member's resignation is filled at the next Annual Meeting, in the event that the term of the Director who resigned was not due to expire for another

year, then the person elected at the Annual Meeting to fill the vacancy shall serve out the remaining year of the term of the Director who resigned (or who was deemed to resign under these Bylaws).

**Section 6. First Meeting of the Board.** The first meeting of a newly elected Board of Directors shall be held at the next Regular meeting of the Board. Notice of the meeting shall be given to the Directors as prescribed in Section 9 of this Article XI. The purpose of this meeting shall be the election of officers and such other matters as might come before the Board at a Regular meeting. If the date, place and time of the first Board meeting is set at the membership meeting at which the new Directors were elected and the majority of the Board is present at said meeting, then the Board need not provide any written notice for the first Board meeting.

After any election of new Directors at an Annual Meeting or the resignation of any Director, the Directors who are no longer serving on the Board shall turn over all minutes, financial statements, maintenance schedules, alteration/modification forms, project proposals, contracts and all other Association records, documents and Association personal property of any kind in their possession or control to the remaining and newly-elected Directors no later than the date of the First Meeting of the Board (if after an Annual Meeting) or the date of next Board meeting that takes place after the Director's resignation (if after a resignation).

**Section 7. 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 Board of Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, fax, telephone, or email, at least ten (10) days prior to the date named for such meeting.

**Section 8. Special Meetings.** Special meetings of the Board of Directors shall 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 also be called in like manner and on like notice by the President upon his or her receipt of a written request that a special meeting be called from any two Directors other than the President.

**Section 9. Recall; Automatic Resignation.** At any regular or special meeting of the Association duly called, any one (1) or more of the Directors may be removed with or without cause by the affirmative vote of those Co-owners who represent at least fifty percent (50%) of all of the Units in the Condominium and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal thirty-five percent (35%) requirement set forth in Article IX, Section 4. Any Director whose removal has been proposed by the Co-Owners shall be given an opportunity to be heard at the meeting before the recall vote is conducted.

Any Director who fails to attend any three (3) consecutive regular meetings of the Board shall be deemed to have automatically resigned, effective as of the adjournment of the third meeting missed.

**Section 10. Board Voting on Actions without a Meeting.** Directors may vote via email without a meeting only if all Directors concur in the action that is the subject of the vote. In such event, the vote shall have the same effect as if a meeting had been physically held. The emails or other forms of written consent containing the approvals of all of the Board members of the action or decision shall be added to the minutes at the next Board meeting.

If a decision is made via written consent (including email) with a less than unanimous vote, the decision must be ratified at the next Board meeting via a vote taken at the meeting in order to be valid.

**Section 11. Meetings – Remote Communication.** Directors may also participate in Board meetings via telephone conference call, video/internet conferencing (e.g., Skype, Facetime, etc.), or by any other means of remote communication by which all persons can communicate with each other. Participation in a Board meeting by such means shall constitute being present in person at the meeting for any and all purposes.

**Section 12. 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 meeting of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**Section 13. Voting at Board Meetings; Quorum.** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors.

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

**Section 14. 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 or insurance shall not be less than the amount of the reserve funds plus a sum equal to three months' aggregate assessments on all units.

**Section 15. Executive Sessions.** The Board of Directors may, in its discretion, 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 final, approved 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. The Co-owner shall be responsible for the Association's costs incurred in producing the requested copies.

**Section 16. Conflicts of Interest.** In the event any Director shall have any relationship or transactions with, or interest in, any person or entity with whom or which the Association may have any contractual dealings, such Director shall have an affirmative duty to disclose such relationship, transactions, or interest, in writing, to the Board of Directors at a Board meeting as soon as such contractual dealings are contemplated or initiated. The proposed contractual dealings must be fair to the Association at the time entered into, and the Director must disclose or make known to the Board all material facts of such relationships, transactions, and/or interests. If a Director has any such relationships, transactions or interest, he shall recuse himself from any vote taken by the Board to ratify or approve the contractual dealings.

**Section 17. Meeting Minutes.** Minutes shall be taken at each meeting of the Board of Directors. Such minutes shall:

- (a) identify all persons present during the meeting and the time present (if not present for the entire meeting);
- (b) record an explanation of the subject of each matter discussed; and
- (c) state each issue on which a vote is taken.

The minutes for the executive session portion of Board meetings shall be kept separately from the minutes of the regular session of such meetings. Minutes of executive sessions of Board meetings may only be disclosed to the general membership in accordance with Section 15 of this Article and Article XIII.

## ARTICLE XII

### OFFICERS

**Section 1. Officers.** The principal officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be members of the 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 (2) offices except that of President and Vice president may be held by one (1) person. Officers shall not be compensated for their services as officers but may be reimbursed for reasonable out-of-pocket expenses.

(a) **President.** The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors, and 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 the President may in his or her discretion deem appropriate to assist in the conduct of the affairs of the Association.

(b) **Vice-President.** The Vice President shall take the place of the President and perform their 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 or her by the Board of Directors.

(c) **Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association. The Secretary shall have charge of such books, Association historical documents, contracts, records, financial statements and papers as the Board of Directors may direct; and shall, in general, perform all duties incident to the office of the Secretary. The Secretary, or, in the absence or disability of the Secretary, the Treasurer, shall sign the minutes upon approval.

(d) **Treasurer.** The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors. The Treasurer shall review and oversee payment of all invoices and shall review the monthly and annual financial statements of the Association. The Treasurer shall monitor the reserve funds of the Association and consult with the Board as necessary concerning such funds.

To the extent permitted by law and these Bylaws, the Treasurer's duties described herein may be delegated, in whole or in part, to a professional management agent to be performed on the Board's behalf and subject to its regular review pursuant to Article XI, Section 4 of these Bylaws.

All decisions concerning reserve funds shall be made by the Board exclusively and shall not be delegated to any third party in any event. Withdrawals from reserve funds shall be approved in advance by a majority of the Board of Directors in all events. Reserve funds shall be used only for such purposes as are permitted under Michigan law and the Condominium Documents.

**Section 2. Election.** After each annual meeting of the Association, the Board of Directors shall elect Officers at its first organizational meeting. Officers shall hold office at the pleasure of the Board.

**Section 3. Removal of Officers.** Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed from their officership either with or without cause and their successor appointed at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed from their officership shall be given an opportunity to be heard at the meeting.

An officer who is removed from their officership shall remain on the Board as a Director at large unless otherwise removed from the Board by the Co-owners under Article XI, Section 5 of these Bylaws.

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

## ARTICLE XIII

### RECORDS AND FINANCE

**Section 1. Records.** The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other non-privileged Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours, subject to the other provisions of this Article and the Condominium Documents generally.

**Section 2. Co-owner's Right to Inspect.** A member has the right to inspect the Association's books, contracts, records and financial statements in accordance with these Bylaws, as well as the rights and remedies afforded to members under the Michigan Condominium Act, MCL 559.157 (1), the Nonprofit Corporation Act, MCL 450.2487, and any other applicable law. A member who is a Director may examine any of the Association's books, records, contracts and financial statements for a purpose reasonably related to their position as a Director.

A Co-owner desiring to view records of the Association pursuant to the Nonprofit Corporation Act, MCL 450.2487, shall tender a prior written demand to the Board of Directors describing the following aspects of the request with reasonable particularity:

- (a) the purpose of the inspection;
- (b) the records that the Co-owner desires to inspect; and
- (c) how the records sought are directly connected to the purpose of the inspection.

For purposes of this Section, a “proper purpose” means a purpose that is reasonably related to a Co-owner’s interest as a member of the Association, and as further defined in the Master Deed for the Condominium.

A member’s right to inspect the Association’s books, contracts, records and financial statements under the Bylaws and all applicable laws shall be cumulative and not exclusive. An owner may choose exercise some or all of these legal rights in their discretion, and a Member’s failure to exercise any of these rights shall not constitute a waiver of any rights. The “right to inspect” under this Section includes the right of the Co-owner to make copies (including photographic copies of the documents inspected) and to make extracts from the records. The Association may assess the Co-owner a reasonable charge for the cost of any copies requested by the Co-owner.

**Section 3. Limitations on Right to Inspect.** Notwithstanding the foregoing, a Co-owner does not have the right to inspect, copy or make extracts of the books, records, contracts and financial statements of the Association if the Board of Directors has made a good faith determination, in its sole discretion, that one or more of the following applies to the documents requested for inspection and copying by the Co-owner:

(a) The documents contain 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;

(b) The documents contain information regarding any unpaid amounts owed by a specific Owner to the Association;

(c) Disclosure of the documents requested would impair the lawful purposes of the Association;

(d) Disclosure of the documents would impair the rights of privacy or free association of any Co-owner of the Association; or

(e) Disclosure of the documents may compromise or adversely affect the Association in any pending or threatened legal proceedings.

**Section 4. Financial Statements.** 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 financial statement shall be distributed to the Co-owners along with the Notice for the Annual Meeting each year.

The Board of Directors shall annually engage a qualified, independent certified public accountant to perform a review or audit of the books of account. The Association may opt out of the requirement to have such an audit or review on an annual basis by the affirmative vote of those Co-owners who represent a majority of the Units in the Condominium.

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

Upon receiving a written request from a Co-owner, the Association shall mail to the Co-owner its balance sheet as at the end of the preceding fiscal year, statement of income for that fiscal year, and, if prepared by the Association, its statement of source and application of funds for that fiscal year.

**Section 5. Fiscal Year.** The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. Absent such determination by the Board of Directors, the fiscal year of the Association shall be the calendar year. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

**Section 6. 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 XIV

### INDEMNIFICATION OF OFFICERS, DIRECTORS, AND VOLUNTEERS; DIRECTORS AND OFFICERS INSURANCE

In regard to the indemnification, insurance and protection from liability of Directors, Officers, agents and non-Director volunteers, the Association shall be governed by this Article XIV as well as Articles VIII and IX of the Association's Amended and Restated Articles of Incorporation, which are hereby incorporated by reference, the Michigan Nonprofit Corporation Act, and all other applicable law.

**Section 1. Indemnification of Directors, Officers, and Nondirector Volunteers - Generally.** 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 they are or were a Director, Officer, nondirector volunteer, agent or employee of the Association, against expenses, including attorneys' fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by them in connection with the action, suit or proceeding, if the person acted in good faith

and in a manner they 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 their 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 they 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 their conduct was unlawful or was not guilty of willful and wanton misconduct or gross negligence. 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 (10) days prior to payment of any reimbursement or indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof.

**Section 2. Indemnification of Directors, Officers, and Nondirector Volunteers – Derivative Actions in the Right of the Association.** 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 they are or were a Director, Officer, nondirector volunteer, agent, or employee of the Association, against expenses, including attorneys' fees and amounts paid in settlement actually and reasonably incurred by them in connection with the action or suit, if the person acted in good faith and in a manner they 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 to the extent authorized by Section 564c of the Business Corporation Act.

**Section 3. Directors and Officers Liability Insurance.** The Association shall provide liability insurance for every Director, Officer, employee, nondirector volunteer or agent of the Association for the same purposes provided above in Sections 1 and 2 and in such amounts as may reasonably insure against any potential liability asserted against the person and incurred by the person in that capacity or arising out of the person's status as such.

With prior written consent of the Association, a Director or an Officer of the Association may waive any liability insurance for such Director's or Officer's personal benefit. No Director or Officer shall collect for the same expense or liability under Sections 1 or 2 above and under this

Section 3; 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 Sections 1 or 2 above.

## ARTICLE XV

### AMENDMENTS

**Section 1. Proposal.** Amendments to these Bylaws may only be proposed as follows:

(a) By the Board of Directors of the Association acting upon the vote of the majority of the Directors; or

(b) In a written instrument signed by Co-owners representing at least one-third (1/3) of all of the Units in the Condominium.

The Association shall be required to provide prior written notice to all of the Co-owners of the Condominium of the text of any and all proposed amendments to these Bylaws before a vote of the membership may be held on the amendments.

**Section 2. Membership Meetings Regarding Amendments, Voting by Written Ballot.**

(a) **Informational Membership Meeting.** A meeting of the membership (the "Informational Meeting") shall be duly called in accordance with these Bylaws to discuss and review with the Co-owners any proposed amendment that would require a vote of the Co-owners under the Michigan Condominium Act. Such a membership meeting must be held to review the proposed amendments with the Co-owners in any and all events, regardless of any provisions in these Bylaws which might authorize the Association to take action by written consent or written ballot without a meeting.

(b) **Commencement of Voting on Amendments.** The actual vote on the amendments may (but need not) be commenced at this Informational Meeting after the conclusion of Membership discussion regarding the amendments. The Board shall have discretion to decide by majority vote of the Board whether or not to commence the vote on the amendments at that time. The Board may, in its discretion, choose to have more than one Informational Meeting with the Membership before deciding to commence any Co-owner voting on amendments.

Voting may only be commenced at an Informational meeting if the Notice for the meeting that was sent to the Membership stated that voting may be conducted on the amendments at the Meeting at the close of Co-owner discussion.

The Board may also choose not to begin voting at the end of an Informational Meeting, but to begin the vote at a later date by written ballot, at another Membership meeting, polling place, or via any other voting method permitted by the Condominium Documents and the Nonprofit Corporation Act.

The Association may conduct a Co-owner vote on the proposed amendments solely by written ballot under Section 408 or by polling place under Section 409 of the Nonprofit Corporation Act and these Bylaws as long as at least one (1) prior meeting of the membership has been held to discuss and review the proposed amendments, as outlined herein.

(c) **Continuation of Voting Period.** If the Board votes to commence the Co-owner vote at an Informational Meeting, the vote need not be concluded at that particular Meeting if sufficient votes are not received from the Co-owners to decide the issue. The vote may be continued by written ballot or polling place to the fullest extent permitted by the Nonprofit Corporation Act and other applicable law. The vote may also be continued at subsequent regular meetings or at special meetings of the Membership called for such purposes.

Voting by written ballot and/or polling place also may be combined with voting conducted in person or by proxy or by written ballot at membership meetings on the same amendment proposals to the fullest extent permitted by the Nonprofit Corporation Act and any other applicable law.

(d) **Conclusion of Vote.** Voting on amendments shall conclude upon the Association's receipt of enough votes from eligible Co-owners to decide the issue, or upon majority vote of the Board of Directors, which is sooner. The vote need not be concluded at a Membership Meeting, but the Board may, in its sole discretion, decide to call a Special Meeting to complete voting and/or to announce the result of an amendment vote.

(e) **Record Date.** The record date for any vote conducted on amendments shall be as required by the Nonprofit Corporation Act, unless the Board specifically chooses a different record date than the Act's default provisions would provide.

The record date for a vote shall be provided to the Co-owners in writing as required by the Nonprofit Corporation Act. The record date for a vote on amendments must comply with the Nonprofit Corporation Act requirements, but the Board shall have the discretion to choose a record date to the fullest extent permitted by the Act, if it wishes to do so.

**Section 3. Co-owner Approval.** Whenever a proposed amendment to these Bylaws would materially alter or effect the rights of the Co-owners under the Michigan Condominium Act, such an amendment shall require the consent of those Co-owners who represent two-thirds (2/3) of the Units in the Condominium who are entitled to vote as of the record date for such vote. The vote on the amendments may take place at any annual or special membership meeting duly called for such purpose, or via written ballot or polling place as permitted by these Bylaws and the Nonprofit Corporation Act.

For purposes of this Article, a “material” amendment is an amendment to the Condominium Bylaws that in any way alters or changes a Co-owner’s legal rights or obligations under the Condominium Bylaws, or which give the Bylaws a different legal effect in regard to Co-owners.

**Section 4. Mortgagee Approval.** Whenever a proposed amendment would materially alter or change the rights of mortgagees (as defined in Section 90a(9) of the Act), such amendment shall require the consent of not less than two-thirds (2/3) of all mortgagees of record. A mortgagee shall have one vote for each mortgage held. Mortgagee approval shall be solicited in accordance with Section 90a of the Act.

Any other provision of the Condominium Documents which requires or permits a mortgagee vote on any issue (including non-amendment issues) shall be governed by the procedures and rules for mortgagee voting as are set forth in Section 90a of the Act.

**Section 5. Board’s Power to Enact Non-Material Amendments for Specific Purposes.** The Association may (acting through a majority of its Board of Directors and without the consent of any Co-owner or any other person) amend these Bylaws as long as the amendments do not materially affect any rights of the Co-owners in the Condominium or impair the security of any mortgage holder, but only if the amendments serve at least one of the following specific purposes:

- (a) to correct survey errors or any other types of errors in the Condominium Bylaws;
- (b) to maintain the Condominium Documents in compliance with the Act;
- (c) to facilitate conventional mortgage loan financing or refinancing for existing or prospective Co-owners; or
- (d) to enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, and/or any other agency of the Federal government or the State of Michigan.
- (e) to reflect and permit changes in technology related to building materials or standards which otherwise would not noticeably alter the appearance, color or style of Condominium Units, improvements, or the Common Elements.

**Section 6. When Effective.** For all amendments, Co-owners shall be notified of the proposed amendments not less than ten (10) days before the amendment is recorded with the Register of Deeds. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Wayne County Register of Deeds.

**Section 7. Binding.** A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.

**Section 8. Costs of Amendment.** Any person causing or requesting an amendment to these Condominium Bylaws shall be responsible for the costs and expenses of considering, adopting, preparing and recording such amendment; provided, however, that such costs and expenses relating to amendments adopted pursuant to Article XV, Section 3 shall be expenses of administration.

## **ARTICLE XVI**

### **COMPLIANCE**

The Association and all present or future Co-owners, mortgagees, tenants, lessees, Non-Co-owner Occupants, land contract vendees, or any other persons who may in any manner use, enter upon or acquire any interest in the Condominium Project, or any Condominium Unit, shall be subject to and comply with the provisions of the Michigan Condominium Act, MCLA 559.101 et seq., MSA 26.50(101) et seq., the Master Deed and its amendments, these Bylaws, and the Articles of incorporation, rules and regulations of the Association and any other Condominium Documents that pertain to the use and operation of the Condominium Project including, without limitation, any provision thereof pertaining to the use and operation of the Condominium Project. 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.

## **ARTICLE XVII**

### **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 XVIII**

### **CONFLICTS**

In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern. In the event any provision of these Bylaws conflicts with any provision of the Master

Deed, the Master Deed shall govern. In the event that the Condominium Subdivision Plans conflicts with the Master Deed, the Master Deed shall govern. In the event that any rules, regulations, or policies adopted by the Board shall conflict with the Bylaws or Master Deed, the Master Deed and Bylaws shall control over such rules, regulations and policies.

## 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.

## ARTICLE XX

### 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 or provisions of the Condominium Documents or the Act, including any of the rules and regulations issued 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 Fees and 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's fees (not limited to statutory fees) as may be determined by the Court.

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 against the Association.

(c) **Removal and Abatement.** The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit and the improvements thereon, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein. The Association may assess any and all expenses, attorney's fees and costs incurred arising out of or relating to the removal or abatement in the same manner as assessments under Article II of these Bylaws and Sections 1 (a) and (b) of this Article XX.

(d) **Assessment of Fines.** The violation of any of the provisions of the Condominium Documents, including any of the rules and regulations issued by the Board of Directors of the Association hereunder, by any Co-owner, Non-Co-owner Occupant, guest or tenant, in addition to the rights set forth above, shall be grounds for assessment by the Association of monetary fines for such violations.

Such Co-owner shall be deemed responsible for such violations whether they occur as a result of their personal actions or the actions of their family, guests, tenants, Non-Co-owner Occupant, or any other person admitted through such Co-owner to the Condominium Premises.

Nothing in this Article shall be construed as to prevent the Association from pursuing any other remedy under the Condominium Documents and/or the Act for such violations, or from combining a fine with any other remedy or requirement to redress any violation.

(i) **Procedures.** Upon any violation being alleged by the Association, a written notice shall be sent to the offending Co-owner describing the facts constituting the alleged violation and the specific restriction alleged to have been violated. The notice shall advise the Co-owner if the alleged violation is of the nature of a Continuing Violation or a Repeat Violation as such terms have been defined later herein, as applicable. The notice also shall give the Co-owner the opportunity to request a hearing on the alleged violation before the Board of Directors at the next regularly scheduled Board meeting, or at a Special Meeting held at the Board's earliest convenience, but in no event shall the hearing take place fewer than ten (10) days from the date of the notice.

(ii) **Hearing and Decision.** At the hearing, the Co-owner shall have the right to appear before the Board and offer evidence in defense of the alleged violation.

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 shall issue a written notice of its determination within ten (10) days after the hearing and, upon finding that a violation has occurred, the Board of Directors may levy a fine in accordance with the following subsection.

Once a notice of violation letter has been sent to a Co-owner, the Co-owner's subsequent curing of the violation shall not, in and of itself, prohibit the Board from finding (whether via default or at a hearing with the Owner) that a violation nevertheless occurred prior to the Co-owner's cure efforts, or from assessing fines to the Co-owner as might otherwise be appropriate for Repeat and Continuing Violations hereunder.

(iii) **Default.** Failure to respond to the notice of violation within thirty (30) days or to appear for a hearing before the Board about the violation shall constitute a default. The Owner's default shall be noted in the minutes of the Board meeting at which the Owner was scheduled to appear. If the Owner does not respond to the notice or does not request a hearing, then the Owner's default shall be entered in the minutes at the first Board meeting that takes place after the notice of violation was sent.

(iv) **Fine Schedule.** Upon a determination that a violation of any of the provisions of the Condominium Documents has occurred, the following fines may be levied for violations (other than Continuing Violations):

1 <sup>st</sup> Violation	No fine shall be levied, except as might be provided in rules and regulations regarding such 1 <sup>st</sup> Violations as might be duly adopted by the Board.
2 <sup>nd</sup> Violation	\$50.00 fine
3 <sup>rd</sup> Violation	\$100.00 fine
4 <sup>th</sup> & Subsequent Violations	\$200.00 fine

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

The Board of Directors, without the necessity of an amendment to these Bylaws, may make such changes (increase or decrease) in said fine amounts set forth in this Article, or adopt alternative fines, including the indexing of such fines to the rate of inflation, in accordance with duly adopted Rules and Regulations promulgated in accordance with Article VI, Section 9 of these Bylaws.

(v) **Repeat Violations – Defined; Fine Amounts.** For purposes of this Article, the number of a violation (i.e., First, Second, Third, etc.) is determined with respect to the number of times that a Co-owner violates the same provision of the Condominium Documents after the date of recording of these amendments with the Register of Deeds, and for as long as that Co-owner may be an owner of a Unit or an occupant in the Project, and is not based upon time or violations of entirely different provisions of the Condominium Documents.

Violations that are repeated more than once by the same Co-owner shall be known as "Repeat Violations" for purposes of this Article. The fine schedule applicable to repeat violations is set forth in sub-Section (d) (iv) above.

**(vi) Continuing Violations – Defined; Fine Amounts.** For purposes of this Article, a "Continuing Violation" is any violation of the Condominium Documents which commences after the date of the recording of these amendments with the Register of Deeds and which persists or has persisted for more than one day and continued unabated for a period of time at least up until the date on which the notice of violation letter is sent to the Co-owner about the alleged violation.

For any violations that are in the nature of Continuing Violations, the Board may, in its discretion, levy a fine against the Co-owner in the amount of \$25.00 per day. Such fines shall accrue from the day after the date on which the Association mails written notice of the continuing violation to the offending Co-owner until such time as the violation is cured.

If the Continuing Violation is upheld at the Board hearing concerning the violation that takes place under Section 1 (d) (ii) of this Article, all fines levied against the Co-owner for the continuing violation shall then be added to the Co-owner's account and shall be due and payable on the first day of the following month along with the co-owner's assessment amount, and shall be collected from the Co-owner in the same manner as unpaid assessments pursuant to Article II hereof.

If the Board finds a Co-owner to be in violation of the Condominium Documents at the hearing that takes place on a Continuing Violation (whether as a result of the hearing or by default), the Association may continue to impose per diem fines for a Continuing Violation and assess them to the Co-owner's account each month as set forth herein without the need for any further or additional Board hearings with the Co-owner regarding the same Continuing Violation until the violation is cured by the Co-owner.

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

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

**Section 4. Co-owner's Right to Enforce against the Association, Directors, and Officers.** 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 who is the prevailing party in any dispute between a Co-owner and the Association or its Directors or Officers may recover reasonable attorney's fees and costs incurred in the dispute, subject to all of the following conditions and limitations:

(a) The Co-owner's right to recover attorney's fees and costs from the Association or its Directors or Officers shall not apply to any fees or costs incurred by the Co-owner which arise out of or relate to any action or effort by the Association to collect any unpaid assessments or other amounts owed or alleged to be owed by the Owner to the Association, regardless of whether the Co-owner prevailed on a claim or defense against the Association or its Directors or Officers over such a matter;

(b) The Co-owner may not recover any pre-litigation attorney's fees or costs;

(c) The Co-owner's claim or action for which the fees and costs were incurred involved at least one of the following types of claims or disputes:

(i) A dispute over the enforcement or interpretation of the Condominium Documents;

(ii) A claim by the Co-owner to enforce a legal right that he or she has under the Michigan Condominium Act, the Nonprofit Corporation Act, or other applicable law; or

(iii) A claim by the Co-owner brought against the Association's Directors or Officers (including, but not limited to, tort claims) which arises out of or relates to any action or inaction taken by the Director or Officer while acting in their capacity as Directors or Officers of behalf of the Association.

If the Association and/or its Board of Directors or Officers prevails in defending against any type of claim or action brought against them by a Co-owner involving (c) (i) through (iii) above, then the prevailing Association, Directors or Officers shall have the right to recover their attorney fees and costs from the Co-owner. In those cases where the Association specifically is the prevailing party, it may assess such amounts to the Co-owner's Unit in accordance with Article II of these Bylaws. The Association's rights under this paragraph shall be in addition to any other rights that the Association has under the Condominium Documents to recover its attorney fees and costs from a Co-owner.

## **ARTICLE XXI**

### **CAPTIONS AND EXAMPLES**

The captions and examples contained in these Condominium Bylaws are for convenient reference and illustrative purposes only, and shall not add to or detract from nor in any way expand or limit the content of the Articles and Sections set forth herein.

## **ARTICLE XXII**

### **NONDISCRIMINATION POLICY AND FAIR HOUSING COMPLIANCE**

The Association and its Board of Directors and Officers do not participate in or tolerate any conduct that might constitute discrimination based upon race, color, national origin, religion, sex, sexual orientation, gender identity, disability, familial status (including families with children under the ages of eighteen (18) living with parents or legal custodians), or pregnant women.

The Association and its Board of Directors and Officers will not enforce any of the provisions in the Condominium Documents or take any other actions or fail to act in any manner that might constitute unlawful discrimination under the Fair Housing Act or any other applicable federal, state or local laws against such discriminatory conduct.

The Association makes reasonable accommodations in its policies and procedures and permits reasonable modifications of the Condominium premises where necessary or appropriate to comply with all local, state and federal Fair Housing laws.

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