



***The Greens at  
Walnut Hills  
Condominium Association***

A Michigan Non-Profit  
Corporation

Amended  
Association Bylaws  
and  
Condominium Bylaws  
Rules and Regulations

***2023-2024***

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THE GREENS AT WALNUT HILLS  
CONDOMINIUM ASSOCIATION  
A MICHIGAN NON-PROFIT CORPORATION  
ASSOCIATION BYLAWS  
AND CONDOMINIUM BYLAWS

ARTICLE I  
ASSOCIATION OF CO-OWNERS

**Section 1. Preamble.** THE GREENS AT WALNUT HILLS CONDOMINIUM, a residential condominium project on land described in the Amended Master Deed (heretofore recorded on February 16, 1994 in Liber 2153, Page 254-264, Ingham County) located in the Township of Meridian. Ingham County, Michigan, shall be administered by an Association of co-owners which shall be a Michigan non-profit corporation, hereinafter called the "Association," organized under the applicable laws of the State of Michigan. The Association shall be responsible for the management, maintenance, operation and administration of the Common Elements, property, easements and affairs of the Condominium Project in accordance with the condominium documents and the laws of the State of Michigan. These Bylaws shall constitute both the Condominium and Association Bylaws referred to in Article III of the Master Deed and required by Section 3(8) of the Act and the Association Bylaws provided for under the Michigan Non-Profit Corporation Act. Each co-owner shall be entitled to membership, and no other person or entity shall be entitled to membership. The share of a co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to each unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium documents for the Condominium Project available at reasonable hours to co-owners, prospective purchasers and prospective mortgagees of units in the condominium project. All co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any unit therein or the common elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium documents. These Bylaws are established for the purpose of governing the administration of THE GREENS AT WALNUT HILLS CONDOMINIUM ASSOCIATION.

**Section 2. Membership and Voting.** Membership in the Association and voting by members of the Association shall be in accordance with the following provisions.

**A. Vote.** Except as limited in these Bylaws, each co-owner shall be entitled to one vote for each condominium unit owned. Each vote afforded by co-ownership in the project shall be entitled to a weight equal to the vote afforded by any other condominium unit owned.

**B. Eligibility to Vote.** No co-owner other than the developer shall be entitled to vote at any meeting of the Association until the co-owner has presented evidence of ownership of a unit in the condominium project to the Association. The vote of each co-owner may be cast by only the co-owner, or the individual representative designated by such co-owner in the notice required in Section 2(C) of this article, or by a proxy given by the co-owner or his individual designated representative.

**C. Designation of Voting Representative.** Each co-owner, if he does not intend to personally exercise the voting rights granted by these Bylaws, shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive notices and other communications from the Association on behalf of such co-owner. In the absence of the filing of such notice, the Association shall have the right to assume that the co-owner will exercise all voting rights and will receive all notices and other communications from the Association. Such notice of designation of voting representatives shall state the name and address of the individual representative designated, the number or numbers of the condominium unit or units owned by the co-owner, and the name and address of each person, firm, corporation, partnership or other entity who is the co-owner. Such notice shall be signed and dated by co-owner. The individual representative designated may be changed by the co-owner at any time by filing a new notice in the manner herein provided.

**D. Voting Rights of Husband and Wife.** In the event the co-owners of a condominium unit are husband and wife, either, but not both, shall be entitled to a vote at any meeting of the Association. In the event the co-owners of a condominium unit are two or more unrelated persons, such co-owners shall file a written notice provided in Section 2(C) of this Article designating the name of the person authorized to vote.

**E. Non-Assignability of Unit Assets.** The share of a co-owner in the funds and the assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his unit in the condominium.

**F. Annual and Other Meetings--Notice.** There shall be an Annual Meeting of the members of the Association held in the month of May of each succeeding year after the year in which the first Annual Meeting is held on such date and at such time 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 Article III of the Bylaws. The co-owners may also transact at Annual Meetings such other business of the Association as may properly come before them. Other meetings may be provided for in accordance with these Bylaws. The notice of the

time and place of all meetings shall be given to each co-owner by mailing or electronic mail the same to each co-owner or his duly-designated individual representative. The notice shall be given not less than ten (10) nor more than sixty (60) days in advance of any Association meeting.

**G. Quorum.** The presence in person, or by individual designees, or by proxies, of more than thirty percent (30%) of the co-owners shall constitute a quorum for holding a meeting of the members of the Association.

**H. Voting.** Votes may be cast in person or by a writing duly signed by the designated voting representative not present at a given meeting in person, or by proxy. In person includes co-owners appearing in two-way interactive video meetings. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of the meeting of the members of the Association. Cumulative voting shall not be permitted.

**I. Majority.** A majority, except where otherwise provided herein, shall consist of more than fifty percent (50%) of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever specifically required herein, a requirement requiring the exceeding of a simple majority will control.

**J. Land Contract Vendees.** In the event a co-owner of a unit sells such unit pursuant to a land contract, the vendee may be considered a co-owner for purposes of this Section 2 upon written notice being served upon the association.

**K. Action Without Meeting.** Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. The written ballot may be in the form of an email to co-owners. Ballots shall be solicited in the same manner as provided in Section 2(F) for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which the ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

**L. Consent of Absentees.** The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present either in person or by proxy and if, either before or after the meeting, each of the

members not present in person or by proxy signs a written waiver of notice or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

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

**Section 3. Designation of Agents.** The Association shall designate persons to administer the affairs of the Condominium Project and shall require that the persons keep detailed books of account showing all expenditures and receipts affecting the condominium project and its administration, and which specify the operating expenses of the project. Such books and accounts shall be open for inspection by the co-owners and mortgagees during reasonable working hours. The Association shall require that the books be reviewed by qualified independent accountants on an annual basis, provided however, that such review need not be a certified audit. The cost of such professional accounting assistance shall be an expense of administration. The Association shall prepare and distribute to each co-owner at least one (1) time per year a financial statement, the contents of which shall be defined by the Association.

<b>ARTICLE II BOARD OF DIRECTORS</b>
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**Section 1. Elections and Terms of Office.** At each annual meeting Directors shall be elected; three (3) in odd numbered years and two (2) in even numbered years. The term of office of each Director shall be two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting. The Directors shall not receive compensation for their services as Directors.

**Section 2. 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. 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 and to enforce the provisions of the Condominium documents.

B. To levy, collect and disburse assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association, to enforce assessments through liens and foreclosure proceedings when appropriate and to impose late charges for nonpayment of said assessments.

C. To carry insurance and collect and allocate the proceeds thereof.

D. To rebuild improvements to the common elements after casualty, subject to all of the other applicable provisions of the Condominium documents and to decorate and improve, as it deems appropriate, the common areas of the Condominium project.

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. The Board is empowered to lease or purchase any condominium unit in the project for use by a Resident Manager; further to furnish and decorate, as it deems appropriate, the common areas of the condominium project.

G. To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of sixty percent (60%) of all of the members of the Association.

H. To make reasonable rules and regulations governing the use and enjoyment of the Condominium by co-owners and their tenants, guests, employees, invitees, families and pets and to enforce such rules and regulations by all legal

methods, including without limitation, imposing fines and late payment charges, or instituting eviction or legal proceedings.

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 Project 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 levy, collect and disburse fines against and from the members of the Association after notice and hearing thereon and to use the proceeds thereof for the purposes of the Association.

K. To assert, defend or settle claims on behalf of all co-owners in connection with the common elements of the condominium project. The Board shall provide at least a ten (10) day written notice to all co-owners on actions proposed by the Board with regard thereto.

**Section 3. Management Agent.** The Board of Directors may employ a professional management agent for the Association 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 Section 2(A) through (K) 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 service contract with a professional management agent, or any other contract providing for services in which the maximum term is greater than one (1) year or which is not terminable by the Association, without cause and with no termination fee, upon thirty (30) days' written notice thereof to the other party, and no such contract shall violate the provisions of Act 59, Public Acts of 1978 (The Condominium Act), as amended.

**Section 4. Vacancies.** Vacancies in the Board of Directors which occur by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall serve as Director until his successor is elected at the next annual meeting of the members of the Association.

**Section 5. Removal.** At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors who has been elected may be removed with or without cause by the affirmative vote of more than fifty percent (50%) in number of all of the co-owners and a successor may then and there be elected to fill any vacancy thus

created. The quorum requirement for the purpose of filling such vacancy shall be the normal thirty percent (30%) requirement. Any Director whose removal has been proposed by the co-owners shall be given an opportunity to be heard at the meeting.

**Section 6. First Meeting.** The first meeting of a newly elected Board of Directors shall be held within (10) days of the election at such place as shall be fixed by the Directors at the membership meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, providing a majority of the whole Board shall be present.

**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 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, by electronic mail, text messaging fax telephone or word of mouth, at least ten (10) days prior to the date named for such meeting.

**Section 8. Special Meetings.** Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director given personally, by mail, fax or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) Directors.

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

**Section 10. Quorum.** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, less than a quorum is 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. Actions and votes of the Board may be taken by a majority of the Board by electronic mail, text messaging, or by interactive video conferencing as well as in person meetings.

**Section 11. First Board of Directors.** The actions of the first Board of Directors of the Association or any successors thereto selected or elected shall be binding upon the Association so long as such actions were within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium documents.

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

<b>ARTICLE III OFFICERS</b>
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**Section 1. Officers.** The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer. The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two offices except that of President and Vice President may be held by one person. No officers, other than the President and Vice President, need be a Director.

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

**B. Vice President.** The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act, and shall succeed the President if a vacancy occurs. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

**C. Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal, if any, and of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of Secretary. If the Board determines that the Association shall

have a seal, then it shall have inscribed thereon the name of the Association and the words "Corporate Seal" and "Michigan."

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

**Section 2. Election.** The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. Any vacancy shall be filled by action of the Board of Directors. The appointed officer shall serve the balance of the unexpired term of the office that had become vacated.

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

**Section 4. Compensation.** The Board of Directors may vote to award compensation to an officer or more than one officer, in payment for services rendered as an officer.

**Section 5. 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 IV RESTRICTIONS

**Section 1. Uses Permitted.** The Units in the Condominium shall only be used for single family residential purposes, in accordance with all applicable laws, and the Common Elements shall be used only for purposes consistent with such use.

**Section 2. Leasing and Rental.**

A. Right to Lease. Subject to such municipal licensing or other approval as may be required, a Co-owner may lease the Co-owner's Unit and the improvements in the Unit, for the same purposes set forth in Section 1 of this Article

VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b) below. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents.

B. Leasing Procedures. The leasing of Units in the Condominium shall conform to the following provisions:

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

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

(iii) If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

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

(2) The Co-owner shall have 30 days (or such additional time as may be granted by the Association if the Co-owner is diligently proceeding to cure) after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(3) If after 30 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf an action for eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents the relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or the Condominium.

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

(v) The provisions of Section 2(b)(i) of this Article VI shall be deemed satisfied by any Co-owner who leases all or any portion of the Co-owner's Unit upon the Co-owner's delivery to the Association of a copy of the lease form which imposes on the landlord and tenant the obligation to comply with all the terms, provisions and conditions of the Condominium Documents.

(vi) With the exception of a lender in possession of a Condominium Unit following a default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Condominium Unit and no tenant shall be permitted to occupy except under a written lease, the initial term of which is at least six (6) months, unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents and shall prohibit any subleasing.

**Section 3. Exterior Alterations, Modifications or Changes.** No co-owner shall make exterior alterations, modifications or changes in any Condominium Unit or make changes in any of the Common Elements, limited or general, without the prior express approval of the Board of Directors, including (but by way of limitation) the erection of antennas of any sort (including dish antennas), lights, aerials, awnings, newspaper holders, basketball backboards, mailboxes, flag poles, or other exterior attachments or modifications. No attachment, appliance or other item may be installed which is designed to kill or repel insects or other animals by light or humanly audible sound. No Co-owner shall in any way restrict access to any utility line, or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way.

**Section 4. Activities.** No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity occur in or on the Common Elements or within any Unit or the improvements in any Unit at any time. No flammable, explosive or hazardous materials may be stored in a Unit nor in the improvements in a Unit (other than paint, paint thinner, gasoline or similar household items) without the prior written consent of the Association. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Unit or on

the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved, which increased cost may be assessed to and collected from the Co-owner in the manner provided in Article II above. Each Co-owner shall be accountable to the Association and other Co-owners for the conduct and behavior of the Co-owner's tenants, guests or invitees transacting business in or visiting the Co-owner's Unit; and any damage to the Common Elements, personal property of the Association or property of another Co-owner, caused by such tenants, guests or invitees, shall be repaired at the sole expense of the Co-owner with whom said tenants, guests or invitees are transacting business or visiting.

**Section 5. Animals or Pets.** Domestic pets of a type normally kept within a dwelling may be maintained by Co-owners without prior written consent of the Board of Directors, provided however, that no co-owner shall keep more than two (2) cats or dogs in the Condominium at the same time. Any pets kept in the Condominium Project\_ shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the Condominium Premises and any animal shall at all times be attended by some responsible person while outside a dwelling. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article V of these Bylaws in the event that the Association determines such. assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owners thereof, remove or cause to be removed any animal from the Condominium which it determines to be violation of the restrictions imposed by this section. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable regulations with respect to animals as it may deem proper. No animal, other than an animal owned by Co-owner, shall be permitted on the Condominium Premises.

**Section 6. Aesthetics.** The area outside a dwelling 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. Trash and refuse removal for the Condominium Project shall be administered exclusively by the Association as an expense of administration. Trash receptacles and bags shall not be permitted to remain outside a dwelling except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. There shall be no drying, shaking, or airing of clothing or other fabrics outside of dwellings. In general, no activity shall be carried on nor conditions maintained by a Co-owner either in a

Condominium Unit or upon the Common Elements, which alters the appearance of the Condominium.

**Section 7. Common Elements.** The Common Elements shall not be obstructed in any way nor shall they be used for purposes other than those for which they are reasonably and obviously intended. No Co-owner may leave personal property of any description unattended on or about the Common Elements. Automobiles shall not be parked in a manner which obstructs a public walkway or Common Element. Use of all General Common Elements may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations.

**Section 8. Vehicles.** No house trailers, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, recreational vehicles or vehicles other than automobiles used for regular private transportation by a Co-owner may be parked for more than two (2) days or stored upon the Condominium Premises or driveways. Garage doors in dwellings shall be kept closed at all times except when in use for entrance to or exit from a garage.

**Section 9. Weapons.** No Co-owner shall use or permit the use by any occupant, agent, invitee or guest of any firearms or other similar dangerous weapons such as air rifles or B-B guns, or other dangerous projectiles or devices anywhere on or about the Condominium.

**Section 10. Signs and Advertising.** No signs (including "For Sale" signs), notices, placards, posters or other advertising devices shall be exhibited, inscribed, painted or affixed by any Co-owner to the exterior of any Unit or the building or other improvements in a Unit, or to the Common Elements, without the prior written consent of the Association.

**Section 11. Rules and Regulations.** Reasonable regulations consistent with all laws and the Condominium Documents 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 to the same shall be furnished to all Co-owners. Any such regulation or amendment may be revoked at any time by the affirmative vote of a majority of the Co-owners.

**Section 12. Association's Right of Access.** The Association or its duly authorized agents shall have access to each Unit, the improvements in the Unit and any Limited Common Elements appurtenant to the Unit from time to time, during reasonable working hours, upon notice to the Co-owner, for the purpose of inspecting the Condominium and taking whatever corrective action may be deemed necessary or proper by the Board of Directors consistent with the provisions of these Bylaws, including providing necessary repairs or maintenance of Common Elements and correcting any emergency originating in or threatening the Units; but the Association shall have no duty or obligation should it fail to do so. Subject to the foregoing and

other provisions in the Master Deed and these Bylaws, each Co-owner shall be entitled to exclusive occupancy and control over the Co-owner's Unit, all improvements in the Unit and all Limited Common Elements appurtenant to the Unit.

**Section 13. Landscaping.** No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the general Common Elements unless approved by the Association in writing. No Co-owner shall have any type of garden either within a Unit or on a Common Element without the written approval of the Association. Since it is anticipated that one or more Co-owners may desire to have such a garden, maintained either within a Unit or on a Common Element, the approval of the Association shall not be unreasonably withheld, regulations adopted for such purpose.

**Section 14. Co-owner Maintenance.** Each Co-owner shall maintain the Unit owned, all improvements in the Unit, and any Limited Common Elements appurtenant to the Unit for which the Co-owner has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other Common Elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association or the other Co-owners resulting from intentional or negligent damage to, or misuse of any of the Common Elements by the Co-owner, or the Co-owner's tenants, guests or invitees. Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article V.

**Section 15. Enforcement of Bylaws.** The Condominium shall at all times be maintained by the Association in a manner consistent with these bylaws and with the highest standards of a beautiful, serene, private development for the benefit of the Co-owners and all persons having interests in the Condominium.

**Section 16. Architectural Control.**

A. **Approval of Plans and Specifications.** No building, structure, fence, or other improvement shall be constructed within a Unit or elsewhere within the Condominium, nor shall any exterior modification be made to any existing buildings, structures, fences or other improvements, unless plans and specifications, containing such detail as the Board, or its authorized agent, may reasonably request, have first been approved in writing by the Board. Construction of any building or other improvements must also receive any necessary approvals from the Charter Township of Meridian. The Board shall have the sole and unfettered discretion to refuse to approve any such plans or specifications, or grading or landscaping plans, which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to be

constructed and the degree of harmony with the Condominium as a whole. The Board may also, in its sole and unfettered discretion, require as a condition of approval of any plans, an agreement for special assessment of increased maintenance charges from any Co-owner whose proposed building, appurtenances and related improvements will cause the Association abnormal expenses in carrying out its responsibilities under the Master Deed.

The purpose of this section is to assure the continued maintenance of the Condominium Project as a beautiful and harmonious residential development. The Developer has assigned these rights to the Association. This assignment is in writing and is irrevocable.

## ARTICLE V ASSESSMENTS

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

**Section 1. Taxes Assessed on Personal Property Owned or Possessed in Common.** The person designated by the Board of Directors to administer the affairs of 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. Personal property taxes based on that tangible property shall be treated as expenses of administration.

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

**Section 3. Assessing Powers.** The Co-owners of each Condominium Unit shall contribute to the expense of administration and to the expenses of maintenance and repair of the Common Elements of the Condominium Project and shall be assessed therefor in accordance with the provisions of Article V.

#### **Section 4. Assessments; Limited Common Element.**

A. Common expenses associated with the maintenance, repair, renovation, restoration, or replacement of a Limited Common Element may be specially assessed against the Condominium Unit to which that Limited Common Element is assigned at the time the expenses are incurred except as otherwise set forth in the Master Deed.

B. Any other unusual common expenses benefitting less than all of the Condominium Units, or 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, shall be specially assessed against the Condominium Unit or Condominium Units involved.

C. The amount of all common expenses not specially assessed pursuant to subsections A and B of this Section 4, shall be assessed against the remaining Condominium Units in equal proportions.

D. Co-owners to whom an expense is assessed under subsection A and subsection B above shall be given written notice of the basis and the formula used for such assessment.

**Section 5. Determination of Assessments.** Assessments shall be determined in accordance with the following provisions:

**A. The Annual Budget and Regular Monthly Assessments.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 7 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget (excluding that portion of the budget allocated to the reserve fund itself) on a non-cumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate, the Association should carefully analyze the Condominium 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. The Board of Directors shall annually consider the needs of the Condominium Project to determine if a greater amount should be set aside in reserve or if additional reserve funds should

be established for any other purposes. The regular monthly Association assessments provided in this Section shall be levied in the sole discretion of the Board of Directors and shall be known as the Annual Assessment. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors, (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements of a cost to the Association (and not per Unit) not exceeding \$3,000 annually, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary.

**B. Special Assessments.** Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as provided below to meet other appropriate requirements of the Association. Special assessments referred to in this subparagraph (b) shall be levied only with the prior approval of more than 60% of all Co-owners in number. 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 its members, and shall not be enforceable by any creditors of the Association or of its members.

**Section 6. Apportionment of Assessments.** Unless otherwise provided in these Bylaws or in the Master Deed, or unless the assessment is based on Limited Common Elements or is based upon common expenses benefitting less than all of the units, all assessments levied against the Co-owners to cover expenses of management, administration and operation of the Condominium shall be apportioned among and paid by the Co-owners in accordance with the number of units owned.

**Section 7. Payment of Assessments and Penalty for Default.** Annual assessments as determined in accordance with Article V, Section 5(A) above shall be payable by Co-owners in 12 equal monthly installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part of such assessment, is not paid to the Association in full on or before the due date for such payment. Each installment in default for fifteen (15) or more days shall bear interest from the initial due date at the rate of 7% per annum until each installment is paid in full. The Board of Directors may also adopt uniform late charges in addition to interest charges. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including interest, late charges and costs of collection and enforcement of payment) levied against the Unit which may be levied while such Co-owner is the owner, except a land contract purchaser from any Co-owner shall be so personally liable and such land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which, if applicable, such land contract seller actually takes possession of the Unit

following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest and other charges for late payment on such installments; and third, to installments in default in order of their due dates. A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve, account or other asset of the Association.

**Section 8. Effect of Waiver of Use or Abandonment of Unit.** A Co-owner's waiver of the use or enjoyment of any of the Common Elements or abandonment of the Co-owner's Unit shall not exempt the Co-owner from liability for the Co-owner's contribution toward the expenses of administration.

**Section 9. Enforcement.**

**A. Remedies.** In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that Secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against the Co-owner's Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. A Co-owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to, and empowered to take possession of the Unit (if the Unit is not occupied by the Co-owner) and to lease the Unit and collect and apply the rental received. All of these remedies shall be cumulative and not alternative.

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

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

(i) The notice of lien shall set forth the legal description of the Condominium Unit or Units to which the lien attaches, the name of the Co-owner of record, and the amount due the Association as of the date of the notice, exclusive of interest, costs, attorneys fees and future assessments.

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

(iii) The notice of lien shall be recorded in the office of the Ingham County Register of Deeds and shall be served upon the delinquent Co-owner by first class mail, postage prepaid, addressed to the last known address of the Co-owner at least ten (10) days in advance of the commencement of the foreclosure proceedings.

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

**Section 10. Liability of Mortgagee.** Notwithstanding any other provisions of the Condominium Documents, if the mortgagee of a first mortgage of record or other purchaser of a Condominium Unit obtains title to the Condominium Unit as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the Association chargeable to the Unit which became due prior to the acquisition of title to the Unit by such person and the expiration of the period of redemption from such foreclosure. The unpaid assessments are deemed to be common expenses collectible from all of the Condominium Unit Co-owners including such persons, its successors and assigns.

**Section 11. Developer's Responsibility for Assessments.** The Developer of the Condominium, although a Co-owner and a member of the Association, shall not be responsible for payment of the periodic Annual Association Assessment on any unit other than a unit used as a Developer's residence. The Developer, however, shall pay a proportionate share of the Association's current maintenance expenses which are actually incurred. The Developer's portion shall be the percentage of the maintenance expense reflected by the ratio of Completed Units owned by the Developer at the time the expense is incurred to the total number of units in the project. A "completed unit" shall mean a unit with respect to which a certificate of occupancy has been issued by the Township of Meridian. In no event shall a Developer be responsible for payment of any expenses for deferred maintenance, reserves for replacement or for capital improvements, or other special assessments, except with respect to occupied units

owned by it. "Occupied unit" shall mean a unit used as a residence. Further, the Developer shall not be liable for any assessment levied in whole or in part to purchase any unit from the Developer or to finance any litigation or other claim against the Developer, or any cost of investigating and preparing such litigation or claim or similarly related costs.

**Section 12. Unpaid Assessments Due on Unit Sale: Statement of Unpaid Assessments.** Upon the sale or conveyance of a Condominium Unit, all unpaid assessments against the Condominium Unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision of the State of Michigan for taxes or special assessments due and unpaid on the Unit and (b) payments due under first mortgages having priority. A purchaser of a Condominium Unit is entitled to a written statement from the Association setting forth the amount of unpaid assessments outstanding against the Unit and the purchaser is not liable for any unpaid assessment in excess of the amount set forth in such written statement, nor shall the Unit be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided in this Section at least five days before the sale, or to pay unpaid assessments against the Unit at the closing of the Unit purchase if such a statement was requested, shall be liable for any unpaid assessments against the Unit together with interest, costs and attorneys' fees incurred in connection with the collection of such unpaid assessments.

**Section 13. Property Taxes and Special Assessments.** All property taxes and special assessment levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

**Section 14. Prepay of Assessment.** The first Co-Owner of each Condominium Unit, on the date he purchases the Condominium Unit, shall pay the Association a non-refundable amount equal to two (2) month's assessment, said amount to be used as working capital by the Association.

**Section 15. Construction Liens.** A construction lien otherwise arising under Act 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

ARTICLE VI  
JUDICIAL ACTIONS AND CLAIMS

Actions on behalf of and against the Co-owners shall be brought in the name of the Association. The Association may assert, defend or settle claims on behalf of all Co-owners in connection with the Common Elements of the Condominium. The commencement of any such civil action (other than one to enforce or collect delinquent assessments) shall require the approval of a majority of the Co-owners.

ARTICLE VII  
INSURANCE

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

**A. Responsibilities of Association.** All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners.

**B. Amount of Insurance on General Common Elements.** All General Common Elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the appropriate percentage of maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

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

**D. Proceeds of Insurance Policies.** Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the Co-owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium Project shall be required as provided in Article VIII

of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Condominium Project unless all of the institutional holders of first mortgages on Units in the Condominium Project have given their prior written approval.

**Section 2. Authority of Association to Settle Insurance Claims.** Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as the Co-owner's true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and worker's compensation insurance, if applicable, pertinent to the General Common Elements, with such insurer as may, from time to time, be designated to 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, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient.

**Section 3. Responsibilities of Co-owners.** Each Co-owner shall be obligated and responsible for obtaining insurance, including fire and extended coverage and vandalism and malicious mischief coverage, on the Co-owner's unit together with all other improvements constructed or to be constructed in the Unit, all Limited Common Elements appurtenant to the Unit and for the Co-owner's personal property located in the Unit or elsewhere or on the Condominium Project. All such insurance, including personal liability, shall be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, provided however, that such personal liability insurance shall be in an amount not less than \$300,000.00. Property damage insurance shall be purchased in an amount equal to the current market value of such Co-owner's Condominium unit and the limited common elements assigned thereto. Each Co-owner also shall be obligated to obtain insurance coverage for personal liability for occurrences within the Unit owned and improvements to the Unit and on the Unit's appurtenant Limited Common Elements (regardless of where located). Each Co-owner's liability insurance policy shall name the Association as an additional named insured, and all Co-owners and their mortgagees as a group. Each Co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner under this section, and to prove the legitimacy of the insurance carrier. In the event of the failure of a Co-owner to obtain such insurance or to provide evidence of it to the Association, the Association may obtain such insurance on behalf of such Co-owner and the premiums for such insurance shall constitute a lien against the Co-owner's

Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article V, Section 9, above. The Association shall, under no circumstances, have any obligation to obtain any of the insurance coverage described in this Section, nor shall it suffer any liability to any person for failure to do so.

**Section 4. Waiver of Right of Subrogation.** The Association and all Co-owners shall use their best efforts to cause all property and liability insurance carried by the Association or any Co-owner to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

**ARTICLE VIII  
RECONSTRUCTION OR REPAIR**

**Section 1. Responsibility For Reconstruction or Repair.** If any part of the Condominium is damaged, the determination of whether or not it shall be reconstructed or repaired, and the responsibility for such reconstruction or repair, shall be as follows:

**A. General Common Element.** If the damaged property is a General Common Element, the damaged property shall be rebuilt or repaired unless a determination to the contrary is made by all Co-owners and first mortgagees of Units in the Condominium.

**B. Unit or Limited Common Element.** If the damaged property is a Unit, any improvements in a Unit or a Limited Common Element appurtenant to a Unit, the Co-owner of such Unit alone shall determine whether to rebuild or repair the damaged property, subject to the direction and determination of any mortgagee of such Unit and the rights of any other person or entity having an interest in such property, and the Co-owner shall be solely responsible for any such reconstruction or repair that the Co-owner elects to make. Notwithstanding any election which a Co-owner may have under the preceding sentence, any damage to a Limited Common Element which is used by or useful to any other Unit owner must be promptly repaired or restored by and at the sole cost of the Unit owner to whom such Limited Common Element appertains. The Co-owner shall in any event remove all debris and restore the Co-owner's Unit and the improvements in the Unit and any Limited Common Elements appurtenant to the Unit to a clean and slightly condition satisfactory to the Association as soon as reasonably possible following the occurrence of the damage.

**Section 2. Repair in Accordance with Master Deed.** Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the original plans and specifications for any damaged improvements located within the Unit unless the Co-owners unanimously decide otherwise. As stated in Article IV(C)(2)(b) of the Master Deed, the Association shall also be responsible for the maintenance, repair, and replacement of the garage driveways appurtenant to each unit and shall be responsible for the snow plowing of garage driveways. Each Co-owner shall be responsible for the maintenance, repair and replacement of the concrete floor within his garage.

**Section 3. Association Responsibility For Maintenance, Repair and Reconstruction.** The Association shall be responsible for the reconstruction and repair of the General Common Elements (except as specifically otherwise provided in the Master Deed) and any incidental damage to a Unit caused by such General Common Elements or the reconstruction and repair of such General Common Elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost are insufficient, assessments shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation. Assessments pursuant to this Article V, Section 3, may be made by the Association without a vote of the Co-owners.

**Section 4. Timely Reconstruction and Repair.** Subject to Section 1 (a) of this Article VIII, if damage to the General Common Elements adversely affects the

appearance of the Condominium, the Association shall proceed with replacement of the damaged property without delay.

**Section 5. Eminent Domain.** The following provisions shall control upon any taking by eminent domain:

A. The provisions of Section 133 of the Condominium Act of Michigan shall apply.

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

C. In the event any Unit in the Condominium Project, or any portion of any Unit, or the Common Elements or any portion of the Common Elements, 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.

## ARTICLE IX MORTGAGES

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

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

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

## ARTICLE X INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, incurred by or imposed upon the director or officer in connection with any proceeding to which the director or officer may be a party, or may become involved, by reason of the director or officer being or having been a director or officer of the Association, whether or not a director or officer at the time such expenses are incurred, except in such cases where the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of such director's duties; provided that, in the event of any claim for reimbursement or indemnification under this Article based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification under this Article shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners. Further, the Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

## ARTICLE XI RESERVE FUND

**Section 1. Purpose.** The Association shall maintain a reserve for major repairs and replacement of Common Elements. The reserve fund, at a minimum, shall be equal to ten percent (10%) of the Association's current annual budget on a noncumulative basis.

**Section 2. Restrictions Upon Use.** The funds contained in said reserve fund shall only be used for major repairs and replacement of Common Elements.

**Section 3. Statutory Requirement.** There shall be set aside the amount of funds required by Section 1 above by the time of the transitional control date, as such term is defined in Section 10(6) of Act 59, Public Acts of 1978. The Developer shall be liable for any deficiency in this amount at the transitional control date as defined by the Act.

**Section 4. Ability to Expand Fund.** The minimum standard required by this Article XI may prove to be inadequate for this Condominium Project. The Association should carefully analyze this Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes.

## ARTICLE XII COMPLIANCE

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

## ARTICLE XIII REMEDIES

**Section 1. Default by a Co-owner.** 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 regulations of the Association shall be grounds for relief, which may include without limitation an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination of the above, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

**B. Recovery of Costs.** In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court. In no event shall any Co-owner be entitled to recover such attorneys' fees.

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

or of any such Co-owner to enforce such right, provision, covenant or condition in the future.

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

**Section 4. Enforcement of Provisions of Condominium Documents.** A Co-owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination of the same for noncompliance with the Condominium Documents or the Act.

<p>ARTICLE XIV ARBITRATION</p>
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**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, shall be submitted to arbitration and the parties shall accept the arbitrator's decision as a final and binding decision upon which the judgment of any Circuit Court of the State of Michigan may be rendered, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time after the date of these Bylaws shall be applicable to any such arbitration.

**Section 2. Election of Remedies.** Such consent by Co-owners and the Association, as evidenced by this Bylaw provision, 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 XV  
AMENDMENTS

These Bylaws may be amended with the consent of not less than two-thirds (2/3) of the votes of the Co-owners. Any amendment to these Bylaws shall become effective upon recordation in the office of the register of deeds in the county in which the Condominium is located. A copy of each amendment to these Bylaws shall be made available to every member of the Association after adoption; provided however, that any amendment adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium irrespective of whether such persons actually receive a copy of the amendment. These Bylaws may not be amended in any manner to eliminate or conflict with any mandatory provision of the Act or any applicable law or any provision of the Master Deed; nor may they be amended to materially reduce or eliminate the rights of any first mortgagees without the consent of the mortgagees affected. In the event that a proposed amendment would materially alter the rights of such mortgagees, the amendment shall not become effective absent the approval of two-thirds (2/3) of the mortgagees; each mortgagee shall have one (1) vote for each mortgage held. No amendment shall become effective until recorded.

ARTICLE XVI  
DEFINITION

All terms used herein shall have the same meanings as set forth in the Master Deed to which these Bylaws will be attached, or the same meanings as used in the Michigan Condominium Act. Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate.

ARTICLE XVII  
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.