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MASTER DEED 119.00

**CONSOLIDATING MASTER DEED
WILLOW WOODS**

This Consolidating Master Deed is made August 28, 2015, by Willow Woods, L.L.C., a Michigan limited liability company, of 1500 Ottawa Beach Road, #16, Holland Michigan 49424 (the "Developer"), pursuant to the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended) (the "Act").

WHEREAS, the Developer desires by recording this Consolidating Master Deed, together with the Bylaws attached hereto as Exhibit A, and the Condominium Subdivision Plan as defined in paragraph 9 of Article III of this Master Deed (both of which are hereby incorporated herein by reference and made a part hereof), to consolidate the Master Deed dated August 21, 1997 and recorded on August 21, 1997 at Liber 2258, Pages 295 through 328, inclusive; Amendment No. 1 to Master Deed dated July 7, 1999 and recorded on July 8, 1999 at Liber 2673, Pages 876 through 879, inclusive, Amendment No. 2 to Master Deed dated October 25, 2000 and recorded on October 31, 2000 at Liber 2920, Pages 710 through 715, inclusive, Amendment No. 3 to Master Deed dated October 25, 2002 and recorded November 6, 2002 at Liber 3695, Pages 484 through 487, inclusive; and Amendment No. 4 to Master Deed dated August 16, 2011 and recorded January 25, 2012 at Document No. 2012-0003353.

NOW, THEREFORE, the Developer established Willow Woods Condominium as a Condominium Project under the Act and does declare that Willow Woods Condominium shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Consolidating Master Deed, the Bylaws and the Condominium Subdivision Plan, all of which shall be deemed to run with the land and shall be a burden and a benefit to any persons acquiring or owning an interest in the Condominium Project, and their respective successors and assigns. In furtherance of the establishment of the Condominium Project, it is provided as follows:

**ARTICLE I
Title and Nature**

The Condominium Project is known as Willow Woods, Ottawa County Condominium Subdivision Plan No. 215, and has been established in accordance with the Act. The buildings contained in the Condominium, including the number, boundaries, dimensions and area of each Unit are set forth completely in the Condominium Subdivision Plan attached as Exhibit B. Each

building contains individual Units to be used for residential purposes and each Unit is capable of individual utilization on account of having its own entrance from and exit to a Common Element of the Condominium Project as designated by this Consolidating Master Deed. Each Co-owner in the Condominium Project shall have an exclusive right to his/her Unit and shall have an undivided and inseparable percentage Interest in the Common Elements of the Condominium Project as designated in this Consolidating Master Deed.

ARTICLE II

Legal Description

The land which had been submitted to the Condominium Project evidenced by this Consolidating Master Deed is particularly described as follows:

That part of the NW 1/4, Section 15, T5N, R15W, Holland Township, Ottawa County, Michigan, described as: Commencing at the W 1/4 corner of said Section 15; thence N00°29'26"W 460.70 feet along the West line of said NW 1/4 to the PLACE OF BEGINNING of this description: thence N00°29'26"W 860.70 feet along said West line: thence N89°13'56"E 1320.70 feet along the North line of the SW 1/4 of said NW 1/4: thence S00°31'21"E 302.32 feet along the East line of the SW 1/4 of said NW 1/4 to Reference Point "G"; thence S00°31'21"E 507 feet, more or less, to the waters edge of an unnamed lake: thence meandering Northwesterly along said waters edge to a point which bears N65°16'26"E from Reference Point "E": (Reference point "E" is located N31°07'22"W 30.00 feet and S89°25'49"W 45.00 feet and S67°50'00"W 133.00 feet and S06°30'00"E 208.62 feet along an Intermediate traverse line from above described Reference Point "G"); thence S65°16'26"W 15 feet, more or less, to Reference Point "E"; thence S65°16'26"W 134.56 feet; thence S17°11'13"E 50.05 feet; thence S71°35'48"W 160.38 feet to Reference Point "D"; thence S71°35'48"W 16 feet, more or less, to the centerline of County Drain No. 28; thence meandering Southerly to a point which bears N89°10'20"E from Reference Point "A"; (Reference Point "A" is located S71°35'48"W 30.42 feet and S08°53'32"E 109.34 feet and S02°30'00"E 58.73 feet from above described Reference Point "D"); thence S89°10'20"W 16 feet, more or less, along the South line of the North 200 feet of the S 1/2 of the SW 1/4 of said NW 1/4 and the North line of Jonker Estates, Ottawa County Condominium Subdivision Plan No. 470, to Reference Point "A"; thence S89°10'20"W 887.00 feet along said North line of Jonker Estates to the place of beginning. This parcel contains approximately 23.6 acres.

ARTICLE III

Definitions

Certain terms are utilized not only in this Consolidating Master Deed and Exhibits A and B to it, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation, Bylaws, and rules and regulations, if any, of the Association, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in Willow Woods as a condominium.

Wherever used in such documents or any other pertinent instruments, the terms stated below shall be defined as follows:

1. *Act*. The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.
2. *Association*. "Association" means Willow Woods Association, which is the nonprofit corporation organized under Michigan law of which all owners shall be members, which corporation shall administer, operate, manage and maintain the Condominium.
3. *Bylaws*. "Bylaws" means Exhibit A to this Consolidating Master Deed, being the Bylaws setting forth the substantive rights and obligations of the owners and required by Section 3(8) of the Act to be recorded as part of the Master Deed. The Bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act.
4. *Common Elements*. "Common elements", where used without modification, means both the general and limited common elements described in Article IV of this Consolidating Master Deed.
5. *Condominium Documents*. "Condominium Documents" means and includes this Consolidating Master Deed and Exhibits A and B to it, and the Articles of Incorporation, Bylaws and rules and regulations, if any, of the Association, as all of the same may be amended from time to time.
6. *Condominium Premises*. "Condominium Premises" means and includes the land described in Article II above, all improvements and structures on it, and all easements, rights and appurtenances belonging to the Condominium Project as described above.
7. *Consolidating Master Deed*. "Consolidating Master Deed" means the final amended Master Deed which shall describe Willow Woods as a completed Condominium Project and shall reflect all the units and common elements subsequently created from time to time, and which shall fully describe the Condominium Project as completed, including the final readjusted percentages of value assigned to each condominium unit.
8. *Condominium Project. Condominium or Project*. "Condominium Project", "Condominium" or "Project" each means Willow Woods as a Condominium Project established in conformity with the Act.
9. *Condominium Subdivision Plan*. "Condominium Subdivision Plan" means Exhibit B to the Master Deed dated August 21, 1997 and recorded on August 21, 1997 at Liber 2258, Pages 295 through 328, inclusive, as amended by: Replat No. 1 attached to Amendment No. 1 to Master Deed dated July 7, 1999 and recorded on July 8, 1999 at Liber 2673, Pages 876 through 879, inclusive; Replat No. 2 attached to Amendment No. 2 to Master Deed dated October 25, 2000 and recorded on October 31, 2000 at Liber 2920, Pages 710 through 715, inclusive; Replat No. 3 attached to Amendment No. 3 to Master Deed dated October 25, 2002 and recorded November 6, 2002 at Liber 3695, Pages 484 through 487, inclusive; and Replat No. 4 attached to Amendment No. 4 to Master Deed dated August 16, 2011 and recorded January 25, 2012 at Document No. 2012-0003353.

10. *Owner*. "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination of them who or which owns one or more units in the Condominium Project. The term "owner", wherever used, shall be synonymous with the term "co-owner".

11. *Developer*. "Developer" means Willow Woods, L.L.C., a Michigan limited liability company, which prepared and executed the Master Deed and this Consolidating Master Deed, and includes its successors and assigns.

12. *Unit or Condominium Unit*. "Unit" or "condominium unit" each mean a single unit in Willow Woods, as the space may be described in Article V, Section A, of this Consolidating Master Deed and on Exhibit B to it, and shall have the same meaning as the term "condominium unit" is defined in the Act. All structures and improvements now or hereafter located within the boundaries of a unit shall be owned in their entirety by the owner of the unit within which they are located and shall not, unless otherwise expressly provided in the Condominium Documents, constitute common elements.

Terms not defined in this Consolidating Master Deed, but defined in the Act, shall carry the meanings given them in the Act unless the context clearly indicates to the contrary. Whenever any reference in this Consolidating Master Deed is made to one gender, it shall include a reference to any and all genders where the same would be appropriate; similarly, whenever any reference in this Consolidating Master Deed is made to the singular, a reference shall also be included to the plural where the same would be appropriate and vice versa.

ARTICLE IV Common Elements

The common elements of the Project, and the respective responsibilities for maintenance, decoration, repair or replacement of them, are as follows:

1. **General Common Elements.** The general common elements are:

(a) **Land.** The land described in Article II of this Consolidating Master Deed, together with all easements described in this Consolidating Master Deed or the Condominium Subdivision Plan, and private drives, roads, sidewalks and parking spaces not identified as limited common elements.

(b) **Improvements.** The chimneys, fireplaces, roof and any skylights located in it, building foundations, supporting columns, beams, girders, trusses, and other building structural members and unit perimeter walls (including doors and windows in them depicted upon the Condominium Subdivision Plan.

(c) **Electrical.** The electrical transmission system throughout the Project up to the point of lateral connections for unit service.

(d) **Gas.** The gas distribution system throughout the Project up to the point of lateral connections for unit service.

(e) **Plumbing.** The plumbing network through the Condominium Project, including that contained within the unit walls, up to the point of connection with the plumbing fixtures within any unit.

(f) **Sanitary and Storm Sewer.** The sanitary and storm sewer system throughout the Project up to the point of lateral connections for unit service.

(g) **Site Lighting.** Any lights designed to provide illumination for the Condominium Premises as a whole.

(h) **Telecommunications.** The telecommunications system, including cable television network, if and when it may be installed throughout the Project, up to the point of lateral connections for unit.

(i) **Water.** The water distribution system throughout the Project up to the point of lateral connections for unit service.

(j) **Other.** Such other elements of the Project not designated in this Consolidating Master Deed or its Exhibits as General or limited common elements which are not enclosed within the boundaries of a unit, and which are intended for common use or are necessary to the existence, upkeep and safety of the Project.

Some or all of the utility lines, systems (including mains and service leads) and equipment and the cable television system described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, the utility lines, systems and equipment and the cable television system shall be general common elements only to the extent of the owners' interest in them, if any, and Developer makes no warranty whatever with respect to the nature or extent of that interest, if any.

2. **Limited Common Elements.** The limited common elements, which, except as otherwise provided in this section, shall be appurtenant to the unit or units to which they are attached or adjacent or which they service (or which they are deemed by Exhibit B to benefit) and limited in use to the owners of such unit or units, or their designees, are:

(a) Each individual entry stoop, deck, porch or balcony, if any, and all attachments to them or projections from them;

(b) The garden or lawn area surrounded by or immediately adjacent to a unit, if any, where enclosed by walls or structures limiting access to it;

(c) The interior surfaces of the ceilings and floors inside each unit and ventilation and air conditioning equipment serving a unit if located outside the unit;

(d) The interior surfaces of unit perimeter and garage walls (including windows and doors in them); and the floors contained within a unit;

(e) Each fireplace combustion chamber in the Condominium Project; and

(f) Each garage, garage door and garage door opener together with the individual driveway in front of each garage.

3. **Maintenance Responsibilities.** The respective responsibilities for the maintenance, decoration, repair and replacement of the common elements, of certain mechanical devices and for the payment of utility bills are as follows:

(a) The cost of maintenance, repair and replacement of the limited common elements described in Article IV, Sections 2(b), (c) and (d) above, shall be borne by the owner of the unit to which such limited common elements respectively appertain.

(b) The cost of decorating, maintaining, repairing and replacing the furnace, hot water heater, internal unit plumbing, dishwasher, refrigerator, stove, oven, garbage disposal, air conditioning equipment, lighting and other items servicing a unit that are not common elements, whether or not they are within the unit they service, shall be the sole responsibility of the owner whose unit is serviced by those items.

(c) In all other cases, the cost of maintaining, decorating, repairing, and replacing all other general and limited common elements shall be borne by the Association, except to the extent of maintenance, repair or replacement due to the act or neglect of an owner or his agent, guest, invitee, family member or pet, for which such owner shall be wholly responsible. Except as otherwise provided in this Consolidating Master Deed or in the Condominium Bylaws, any damage caused to a unit or its contents by the maintenance or by repair activities of the Association shall be repaired at the expense of the Association.

(d) Each owner shall be responsible for payment of the utilities attributable to his unit.

Any maintenance, repair or replacement (the cost of which is to be borne by the owner) may, if not performed by the owner, be performed by or under the direction of the Association and the cost may be assessed against the responsible owner.

4. **Use of Units and Common Elements.**

A. No owner shall use his or her unit or the common elements in any manner inconsistent with the purposes of the Project or in any manner which will unreasonably interfere with or impair the rights of any other owner in the use and enjoyment of his or her unit or the common elements; and

B. Public utilities furnishing services to the Condominium Project, such as electricity, gas, water, sewage disposal and telephone, shall have access to the common elements and the units at such times as may be reasonable for the installation, repair or maintenance of such services.

5. **Alterations.** *[Intentionally Deleted]*

ARTICLE V

Unit Description and Percentage of Value

A. **Description.** A complete description of each unit, with elevations referenced in it to an official benchmark of the United States Geological Survey sufficient to relate accurately the space enclosed by the description without reference to the structure itself, is stated in the

Condominium Subdivision Plan. Each unit in the Condominium Project, as described in the Condominium Subdivision Plan, shall include all that space bounded on the sides, bottom and top, respectively, by the unfinished interior surfaces of the unit perimeter walls, roofs and subfloors, all as shown on the floor plans and sections in Exhibit B and delineated with heavy outlines, but not any common elements contained in it. Detached architectural plans for the Condominium Project will be placed on file with the Township of Holland.

B. Percentage of Value. The total value of the Project is one hundred percent (100%). The percentage of value assigned to each Unit shall be equal. The determination that percentages of value should be equal was made after reviewing the comparative characteristics of each Unit in the Project which would affect maintenance costs and concluding that there are not material differences. The percentage of value assigned to each Unit shall be determinative of the proportionate share of each Unit in the Common Elements and in the proceeds and the expenses of the Association as well as the value of each Co-owner's vote at meetings of the Association.

ARTICLE VI Convertible Areas

[Intentionally Deleted]

ARTICLE VII Consolidation or Relocation of Units, Limited Common Elements

Without the consent of any person other than the affected mortgagee, one or more owners may subdivide, consolidate or relocate the boundaries of a unit and appurtenant limited common elements by written request to the Association in accordance with Sections 48 and 49 of the Act and this Article as follows:

1. **Subdivision of Units.** Upon receipt of such request, the president of the Association shall cause to be prepared an amendment to the Master Deed, duly subdividing the unit, separately identifying the resulting units by number or other designation, designating the Limited or general common elements in connection with them, and proportionately reallocating the undivided interests in common elements and the percentages of value. The owners requesting the subdivision shall bear all costs of the amendment. The subdivision shall not be effective until the amendment to the Master Deed, duly executed by the Association, has been recorded in the office of the Ottawa County Register of Deeds.

2. **Consolidation of Units or Portions of Them; Relocation of Boundaries.** Upon receipt of such request, the president of the Association shall cause to be prepared an amendment to the Master Deed duly relocating or deleting the boundaries, combining and re-identifying the units involved, proportionately reallocating the undivided interests in common elements and the percentages of value and providing for conveyancing between or among the owners involved in the relocation of boundaries. The owners requesting consolidation of units or relocation of boundaries shall bear all costs of the amendment. The relocation or deletion of boundaries shall

not be effective until the amendment to the Master Deed has been recorded in the office of the Ottawa County Register of Deeds.

3. **Limited Common Elements.** Limited common elements shall be subject to assignment, reassignment, diminution, omission and all other necessary modification in accordance with Section 39 of the Act and in furtherance of the rights to consolidate or relocate boundaries described in this Article.

ARTICLE VIII

Easements

1. **Easement for Maintenance of Encroachments and Utilities.** In the event any portion of a unit or common element encroaches upon another unit or common element due to shifting, settling or moving of a building, or due to survey errors, or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for any other maintenance after rebuilding in the event of any destruction. There shall also be easements to, through, over, under across the Condominium Premises, including all units and interior walls, (i) for the maintenance and repair (including replacement) of common elements, which easements shall be administered by the Association, and (ii) as may be reasonable for the installation and continuing maintenance and repair (including replacement) of all utilities in the Condominium Project, including, but not necessarily limited to, light, heat, power, sewer, water, storm water discharge and detention and communications, which utilities are sometimes collectively referred to in this Article as "utilities" or "utility services." Every portion of a unit which contributes to the structural support of a building shall be burdened with an easement of structural support for the benefit of the common elements.

2. **Easements and Other Rights Retained by Developer.** *[Intentionally Deleted]*

3. **Grant of Easements by Association.** The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors action prior to the Transitional Control Date) shall be empowered and obligated to grant such easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium. No easements created under the Condominium Documents may be modified, nor may any of the obligations with respect to it be varied, without the consent of each person benefitted by it.

4. **Easements for Maintenance, Repair and Replacement.** The Association and all public or private utilities shall have such easements over, under, across and through the Condominium Premises, including all units and common elements, as may be necessary to fulfill any responsibilities of maintenance, repair, decoration or replacements which they or any of them are required or permitted to perform under the Condominium Documents or by law. These easements include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to water meters, sprinkler controls and valves and other common elements located within any unit or its appurtenant limited common elements.

While it is intended that each owner shall be solely responsible for the performance and costs of all maintenance, repair and replacement of and decoration of the buildings and all other appurtenances and improvements constructed or otherwise located within his unit, and its limited common elements (except for lawn mowing and snow removal) it is nevertheless a matter of concern that an owner may fail to properly maintain his unit or any limited common elements appurtenant to it or any improvements in it in a proper manner and in accordance with the standards set forth in this Master Deed, the Bylaws and any rules and regulations or other policies promulgated by the Association. Therefore, in the event an owner fails, as required by the Master Deed, the Bylaws or any rules and regulations or policies of the Association, to properly and adequately maintain, decorate, repair, replace or otherwise keep his unit or any improvements or appurtenances located in it or any limited common elements appurtenant to it the Association shall have the right, and all necessary easements in furtherance thereof (but not the obligation), to take whatever action or actions it deems desirable to so maintain, decorate, repair or replace the unit (including the exteriors of any structures located it), its appurtenances or any of its limited common elements, all at the expense of the owner of the unit. Failure of the Association to take any such action shall not be deemed a waiver of the Association's right to take any such action at a future time. All costs incurred by the Association in performing any responsibilities which are required, in the first instance to be borne by any owner, shall be assessed against such owner and shall be due and payable with his monthly assessment next falling due; further, the lien for nonpayment shall attach as in all cases of regular assessments and such assessments may be enforced by the use of all means available to the Association under the Condominium Documents and by law for the collection of regular assessments including, without limitation, legal action, foreclosure of the lien securing payment and imposition of fines.

5. **Telecommunications Agreements.** The Association, acting through its duly constituted Board of Directors, but subject to the Provisions of Section 18 ("Antennae") of Article VI of the Condominium Bylaws, shall have the power to grant such easements, licenses and other rights-of-entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or any unit in it. Notwithstanding the foregoing, in no event shall the ' Board of Directors enter into any contract or agreement or grant any easement, license or right-of-entry or do any other act or thing which will violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or other company or entity in connection with such service, including fees, if any. for the privilege of installing same or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

6. **Termination of Easements.** The Association may terminate and revoke any utility or other easement granted in this Consolidating Master Deed at such time as the particular easement has become unnecessary. This may occur, by way of example but not limitation, when water or sewer systems are connected to municipal systems or when a water or sewer system or other utility easement is relocated to coordinate further and future development of the Project. No easement utility may be terminated or revoked unless and until all units served by it are

adequately served by an appropriate substitute or replacement utility on a shared maintenance basis. Any termination or revocation of any such easement shall be effected by the recordation of an appropriate amendment to this Consolidating Master Deed in accordance with the requirements of the Act.

ARTICLE IX
Amendment

This Consolidating Master Deed and the Condominium Subdivision Plan may be amended with the consent of 66 2/3% of the owners, except as stated below:

1. Modification of Units or Common Elements. No unit dimension may be modified in any material way without the consent of the owner or mortgagee of such unit nor may the nature or extent of limited common elements or the responsibility for maintenance, repair or replacement of it be modified in any material way without the written consent of the owner and mortgagee of any unit to which the same are appurtenant, except as otherwise expressly provided above to the contrary.

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

3. Change in Percentage of Value. The value of the vote of any owner and the corresponding proportion of common expenses assessed against such owner shall not be modified without the written consent of such owner and his mortgagee, nor shall the percentage of value assigned to any unit be modified without like consent.

4. Termination, Vacation, Revocation or Abandonment. The Condominium Project may not be terminated, vacated, revoked or abandoned except as provided in the Act.

ARTICLE X
Assignment

[Intentionally Deleted]

ARTICLE XI
Expansion or Contraction of Project


[Intentionally Deleted]

WILLOW WOODS, L.L.C.

By: 
Jerry L. Nienhuis, Authorized Member

State of Michigan)
) ss.
County of Ottawa)

This Consolidating Master Deed is acknowledged before me on August 28, 2015, by Jerry L. Nienhuis, the authorized member of Willow Woods, L.L.C., a Michigan limited liability company.


Kurt S. Bauer
Notary Public, Ottawa County, Michigan
My Commission expires: March 15, 2022
Acting in Ottawa County, Michigan

THIS MASTER DEED WAS PREPARED BY:
Kurt S. Bauer
BUCKMAN MACDONALD BAUER & BROWN PC
217 East 24th Street, Suite 201
Holland, Michigan 49423
(616) 394-4276

EXHIBIT A TO CONSOLIDATING MASTER DEED OF WILLOW WOODS
BYLAWS

ARTICLE I
Association of Owners

Willow Woods, a multi-phase residential Condominium Project located in the Township of Holland, Ottawa County, Michigan, shall be administered by an Association of Owners which shall be a nonprofit corporation, called the "Association," organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Michigan Condominium Act (the "Act") and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of an Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit in it or the Common Elements of it shall be subject to the provisions and terms of the Condominium Documents.

ARTICLE II
Assessments

All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations and responsibilities as stated in the Condominium Documents and the Act shall be levied by the Association against the Units and the Owners of it in accordance with the following provisions:

1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the 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.

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

(a) Budget. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves.

An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the minimum amount stated below on or before the Transitional Control date and after that must be maintained by regular monthly payments as stated in section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, the Association of Owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Owner and the assessment of the year shall be established based upon the budget, although the failure to deliver a copy of the budget to each Owner shall not affect or in any way diminish the liability of any Owner for any existing or future assessments. Should the board of Directors at any time decide, in the sole discretion of the Board of Directors, that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, to provide replacements of existing Common Elements, to provide additions to the Common Elements not exceeding \$2,000.00 annually for the entire condominium Project, or in the event of emergencies. The Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Owner consent, to levy assessments pursuant to the provisions of Article v, Section 4. 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, and shall not be enforceable by any creditors of the Association or of the members.

(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 Owners to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the Common elements of a cost exceeding \$2,000.00 for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 of this Article, or (3) assessments for any other appropriate purpose. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 2(a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than 60% of all Owners in number and in value. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members and shall not be enforceable by any creditors of the Association or of the members.

3. Apportionment of Assessments and Penalty for Default. Unless otherwise provided in these Bylaws or in the Master Deed, all assessments levied against the Owners to cover expenses of administration shall be apportioned among and paid by the Owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit.

Annual assessments as determined in accordance with Article II, Section 2(a) above, shall be payable by Owners in 12 equal monthly installments, or at such regular intervals as the Board shall from time to time determine, 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 the assessment, or any part of it, is not paid to the Association in full on or before the due date for the payment. Each installment in default for 10 or more days may bear interest from its initial due date at the rate of 7% per annum until each installment is paid in full. The Association may, pursuant to Article XX below, levy fines for late payment of assessments in addition to interest. Each Owner (whether I or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Owner is the owner of it, except a land contract purchaser from any Owner shall be so personally liable and the land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

The Board of Directors may relieve an Owner who has not constructed a building within his Unit from payment for a limited period of time of all or some portion of his respective allocable share of the Association Budget.

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

5. Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to an Owner in default upon 7 days written notice to such Owner of its intention to do so. An Owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, This provision shall not operate to deprive any Owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Owner of it or any persons claiming under him. The Association may also assess fines for late payment or nonpayment of assessments in accordance with the provisions of Article XX of these Bylaws. All of these remedies shall be cumulative and not alternative.

(b) Foreclosure Proceedings. Each 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 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 Owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

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

(d) Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Owner in default and shall be secured by the lien on his Unit.

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

7. Developer's Responsibility for Assessments. *[Intentionally Deleted]*

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

9. Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Owners, and personal property taxes based thereon shall be treated as expenses of administration.

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

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

ARTICLE III Arbitration

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 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 shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time shall be applicable to any such arbitration.

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

3. Election of Remedies. Such election and written consent by 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

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

(a) Responsibilities of Association. All such insurance shall be purchased by the Association for the benefit of the Association, and the 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 Owners.

(b) Insurance of Common Elements and Fixtures. All Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs.

(c) Premium Expenses. All premiums upon 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 Owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction.

2. Authority of Association to Settle Insurance Claims. Each Owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project and the Common Elements appurtenant to it, 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 for such insurance, to collect proceeds and to distribute the same to the Association, the 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 Owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

3. Responsibilities of Owners. Each Owner shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the building and all other improvements constructed or to be constructed within the perimeter of his Unit, and for his personal property located in or on his Unit or elsewhere on the Condominium Project. All such insurance shall be carried by each Owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each 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 Owner under these Bylaws. In the event of the failure of an Owner to obtain such insurance or to provide evidence of it to the Association, the Association may obtain such insurance on behalf of such Owner and the premiums shall constitute a lien against the Owner's Unit which may be collected from the Owner in the same manner that Association assessments may be collected in accordance with Article II of these Bylaws. Each Owner also shall be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of or for the improvements located on his Unit, and also for any other personal insurance coverage that the Owner wishes to carry. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so.

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

ARTICLE V

Reconstruction or Repair

1. Determination to Reconstruct or Repair. If any part of the Condominium Premises shall be damaged, the determination of whether or not it shall be reconstructed or repaired, and the responsibility for reconstruction or repairs, shall be made in the following manner:

(a) General Common Element. If the damaged property is a General Common Element, the damaged property shall be rebuilt or repaired unless all of the Owners and all of the institutional holders of mortgages on any Unit in the Project unanimously agree to the contrary.

(b) Unit or Improvements on it. If the damaged property is a Unit or its Yard Area, Limited Common Elements or any improvements on it, the Owner of such Unit alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property, and such Owner shall be responsible for any reconstruction or repair that he elects to make. The Owner shall in any event remove all debris and restore his Unit or its Limited Common Elements and the improvements on it to a clean and sightly condition satisfactory to the Association and in accordance with the provisions of Article VI as soon as reasonably possible following the occurrence of the damage.

2. Repair in Accordance with Plans and Specifications. 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 and appurtenant Limited Common Elements unless the Owners shall unanimously decide otherwise.

3. Association Responsibility for Repair. Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost are insufficient, assessment shall be made against all 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.

4. Timely Reconstruction and Repair. If damage to the General Common Elements adversely affects the appearance of the Project, the Association shall proceed with replacement of the damaged property without delay.

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

(a) Taking of Unit or Improvements. In the event of any taking of all or any portion of a Unit or any improvements on it by eminent domain, the award for such taking shall be paid to the Owner on the mortgagee of such Unit as their interests may appear. If an Owner's entire Unit is taken by eminent domain, such Owner and his mortgagee shall, after acceptance of such award, be divested of all interest in the Condominium Project.

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

(c) Continuation of Condominium after Taking. In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be reserved and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Owners based C upon the continuing value of the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval by any Owner.

(d) Notification of Mortgagees. In the event any Unit in the condominium, or any portion of it, or the Common Elements or any portion of it, 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.

6. Notification of FHLMC. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation (UFHLMCU) then, upon request by FHLMC, the Association shall give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds \$10,000 in amount or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.

7. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give an 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 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:

1. Single Family. No Condominium unit shall be used for other than single family residential purposes and the common elements shall be used only for purposes consistent with the use of single-family residences. A family shall mean one person or a group of two or more persons related by bonds of consanguinity, marriage or legal adoption or a functional family which means a group of two or more people, including their children and children domiciled with them, having a relationship which is functionally equivalent to a family. The relationship must be of a permanent and distinct character with a demonstrable and recognizable bond characteristic of a cohesive unit. Functional family does not include a group of individuals where the common living arrangement or basis for the establishment of the housekeeping unit is temporary. The definition of family shall not be construed in a manner that is discriminatory on the basis of familial status or marital status, as defined by the Fair Housing Act and the Elliott-Larsen Civil Rights Act. The Keating Memorandum standards, as set forth in Federal Register/Vol. 63, No. 245, as may be amended, shall be used to establish occupancy standards. Excepted from these restrictions are family members requiring in-home care for medical or age reasons and who submit appropriate medical information to the Board of Directors for the Board of Directors review to determine if the exception is valid and not for purposes of avoiding these restrictions.

2. Number of Occupants. No more than two (2) people may occupy a one bedroom Unit, and no more than four (4) people may occupy a two bedroom Unit as the Units are designated in the Master Deed. In the event that a violation of this section by a family in occupancy of a unit results from the birth or adoption of a child, this restriction shall be suspended as to that family for a period of two years to enable the family a reasonable time within which to vacate the Unit. No basement area, if any, shall be used as a place of habitation at any time unless constructed in conformance with the appropriate codes and to the standards and quality of the main floor living areas.

3. Home Occupations. Although all Units are to be used only for single-family residential purposes, nonetheless home occupations will be permitted if the home occupation is conducted entirely within the Unit and participated in solely by members of the immediate family residing in the Unit, which use must be clearly incidental and secondary to the use of the Unit for dwelling purposes and must not change the character of the use. To qualify as a home occupation, there must be (i) no sign or display that indicates from the exterior that the Unit is being used for any purpose other than that of a dwelling, (ii) no commodities sold on the premises, (iii) no person employed other than a member of the immediate family residing in the Unit, and (iv) no mechanical or electrical equipment used, other than computers and other office equipment.

4. Zoning. The use of any Unit must satisfy the requirements of the zoning ordinance which is in effect at the time of the contemplated use or construction of any structure unless a variance for the use or structure is obtained from the Zoning Board of Appeals and further there is obtained a written consent from the Association.

5. Signs. No signs or any advertising will be displayed on any Unit unless their size, form and number are first approved in writing by the Board of Directors. All signs in the Condominium Project must comply with zoning regulations which are in effect at the time of erection of the sign. No signs shall be placed in the windows of any building or structure.

6. Waste Disposal. All waste, debris, and trash from each Unit shall be stored and placed in suitable and safe covered containers and removed from each Unit by the occupant at its expense at least weekly. If the Association provides dumpsters, then all trash shall be deposited in the dumpster.

7. 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 Owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time and disputes among Owners, arising as a result of the provision which cannot be amicably resolved, shall be arbitrated by the Association. No Owner shall store flammable or hazardous substances in his Unit. No Owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each 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.

8. Animals. No animal shall be kept except common indoor household pets, which must be pre-approved in writing by and registered with the Association. No animal may be kept or bred for any commercial purpose. All animals shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No savage or dangerous animal, or animal commonly perceived as such, shall be kept, including, but in no way limited to, pit bull dogs. No more than two pets may be kept in any Unit. No pets may be permitted to run loose upon the Common Elements. The owner of any pet shall be responsible for cleaning up after it. Deposits of fecal matter shall be immediately removed by the owner of the pet dropping them. The Association may charge all Owners maintaining animals a reasonable additional assessment to be collected in the manner provided in these Bylaws for monthly

maintenance fees if the Association determines the assessment is necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owner, cause to be removed, any animal from the Condominium which it determines to be in violation of these restrictions. The Association may adopt such additional reasonable rules with respect to animals as it may deem proper. The Association may require the removal from the Condominium of any animal which is the subject of repeated complaints and may require the removal of all animals of any Owner if the Association receives repeated complaints regarding the failure of the Owner to comply with these restrictions. Any person who causes an animal to be brought or kept in the Condominium shall indemnify and hold harmless the Association from any damage, loss or liability which might accrue to the Association as a result of the presence of the animal in the Condominium regardless of whether the animal's presence is permitted.

9. Vehicles. No recreational vehicles, all-terrain vehicles, house trailers, commercial vehicles, boat trailers, boats, motorcycles, campers, motor homes, snowmobiles, snowmobile trailers or vehicles other than automobiles (which shall include light trucks and vans) may be visibly parked or stored upon the premises of the Condominium at any time, except campers, motor homes, and similar vehicles may be parked in their Owner's driveway for up to 72 hours for the purposes of packing, unpacking, or cleaning of the vehicle. Campers and similar vehicles may be stored at the Condominium, but only fully inside a garage. Anything stored inside a garage shall be completely within the garage and all garage doors must be kept closed at all times when they are not in use. No inoperable vehicle or vehicle with a valid license plate may be parked outside of a garage. Any unassigned parking areas shall be reserved for the general use of the Owners and their guests. The Owners of a Unit are permitted to park only one (1) automobile more than the number of stalls in their garage. If a shortage of parking spaces arises, the Association may assign common parking spaces on an equitable basis. Each Owner shall, if the Association shall require, register all vehicles parked in the Condominium with the Association. Recreational vehicles may be operated but not lived in within the boundaries of the Condominium. Commercial vehicles shall not be parked in the Condominium (unless fully inside a garage) except while making deliveries or pickups in the normal course of business. If this paragraph is modified in the future, the rights granted to the Owners of campers, motor homes, and similar vehicles under this paragraph shall not be taken away from any Owners of record existing prior to the recording of any such Amendment.

10. Aesthetics. The Common Elements 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. In general, no activity shall be carried on nor condition maintained by an Owner, either in his Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

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

12. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant to the Unit from time to time, during reasonable working hours, upon notice to the Owner as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant to the Unit 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 Owner to provide the Association means of access to his Unit and any Limited Common Elements appurtenant to it during all periods of absence, and in the event of the failure of such 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 Owner for any necessary damage to his Unit and any Limited Common Elements appurtenant to the Unit caused by such access or for repair or replacement of any doors or windows damaged in gaining such access.

13. Alterations; Blocking Access. No Owner shall make alterations in exterior appearance or make structural modifications to his Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements without the express written approval of the Board of Directors, including without limitation exterior painting or the erection of antennas, lights, aerials, awnings, doors, shutters, or other exterior attachments or modifications. Also, no Owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, 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 of it has been approved under these Bylaws, 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.

14. Common Element Maintenance. Landscaped areas, yards, driveways, and parking areas shall not be obstructed nor shall they be used for purposes other than that for which they are reasonably and obviously intended.

15. Maintenance. Each Owner shall maintain his Unit and any Limited Common Elements appurtenant to it for which he has maintenance responsibility in a safe, clean and sanitary condition. Each 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 Owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Owner in the manner provided in Article II of these Bylaws.

16. Reserved Rights of Developer. *[Intentionally Deleted]*

17. Leasing and Sale of Units.

(a) Right to Lease. An Owner may lease or sell his Unit for single family residential purposes; provided that written disclosure of the lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b). 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 shall conform to the following:

1. An Owner, desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least 10 days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact proposed lease for its review for its compliance with the Condominium Documents. The basic lease form shall be a written form of lease provided by or previously approved by the Board. No Owner may lease less than the entire Unit, and the term of the lease may not be less than 6 months without the prior written consent of the Board. The Board may require a security deposit from a proposed tenant.

2. 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.

3. If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association may take the following action, among others:

(i) The Association may notify the Owner personally, by telephonic facsimile or first class mail advising of the alleged violation by the tenant.

(ii) The Owner shall have 5 days after receipt of the notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(iii) If after 5 days the Association believes that the alleged breach is not cured or may be repeated, it may institute an action for eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the 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 Owner liable for any damages to the Common Elements caused by the Owner or tenant in connection with the Unit or Condominium Project.

4. When an Owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying an Owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the 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.

18. Antennae. Pursuant to FCC rule under Section 207 of the Telecommunications Act of 1996, an owner may install within the owner's unit, or within any Limited Common Element under the owner's exclusive control, a television satellite dish that is less than one meter (39.37 inches) in diameter, an antenna to receive local television broadcast signals, or a wireless cable antenna, so long as the satellite dish or antenna does not encroach in, on, or over any General Common Element or any Limited Common Element not under such owner's exclusive control. No owner may install or allow or cause to be installed within the owner's unit, or any Limited Common Element under the owner's exclusive control, any antenna used for AM/FM radio, amateur ("ham") radio, Citizen's Band ("CB") radio, Digital Audio Radio Services ("DARS"), or any other type of antenna or satellite dish not specified in the first sentence of this Section 18, without the prior written approval of the Association.

ARTICLE VII

Mortgages

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

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.

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

ARTICLE VIII

Voting

1. Vote. Except as limited in these Bylaws, each Owner shall be entitled to one vote for each Condominium Unit owned when voting by number and one vote, the value of which shall equal the total of the percentages allocated to the Unit owned by such Owner as set forth in Article V of the Master Deed, when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number.

2. Eligibility to Vote. No Owner shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Owner shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Owner may be cast only by the individual representative designated by such Owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative.

3. Definition of Voting Representative. Each 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 Owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Owner. Such notice shall be signed and dated by the Owner. The individual representative designated may be changed by the Owner at any time by filing a new notice in the manner herein provided.

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

5. Voting. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

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

ARTICLE IX Meetings

1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Sturgis' Code of Parliamentary Procedure, Robert's Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

2. First Annual Meeting. *[Intentionally Deleted]*

3. Annual Meetings. Annual meetings of members of the Association shall be held on the third Tuesday of March each succeeding year after the year in which the First Annual Meeting is held, at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than 8 months after

the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Owners a Board of Directors in accordance with the requirements of Article XI of these Bylaws. The Owners may also transact at annual meetings such other business of the Association as may properly come before them.

4. Special 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 its purpose as well as the time and place where it is to be held, upon each Owner of record, at least 10 days but not more than 60 days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

5. Adjournment. If any meeting of Owners cannot be held because a quorum is not in attendance, the Owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

6. Order of Business. The order of business at all meetings of the members shall be as follows : (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers); (g) election of Directors (at annual meeting or special meetings held for such purpose); (h) unfinished business; and (i) new business. Meetings of members shall be chaired 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.

7. Action without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

8. 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 of it. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

9. 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 stated in it. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE X

Advisory Committee

[Intentionally Deleted]

ARTICLE XI

Board of Directors

1. Number and Oualification of Directors. The Board of Directors shall be comprised of not less than one nor more than seven directors as shall be fixed from time to time by the Board of Directors. All directors must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation.

2. Election of Directors.

(a) First Board of Directors. *[Intentionally Deleted]*

(b) Appointment of Non-developer Owners to Board Prior to First Annual Meeting.
[Intentionally Deleted]

(c) Election of Directors after the First Annual Meeting.

(i) *[Intentionally Deleted]*

(ii) *[Intentionally Deleted]*

(iii) *[Intentionally Deleted]*

(iv) After the first annual meeting, the term of office of each Director shall be 2 years. The Directors shall hold office until their successors have been elected and hold their first meeting.

(v) Annual meetings of Owners to elect Directors and conduct other business shall be held in accordance with the provisions of Article IX, Section 3.

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 to be exercised and done by the Owners.

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

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

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

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

(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 the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of 75% of all of the members of the Association in number and in value.

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

(i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons to such committees 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.

5. 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 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by 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 3 years or which is not terminable by the Association upon 90 days written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

6. Vacancies. Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the members of the Association. Vacancies among non-developer Owner elected Directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Owners and shall be filled in the manner specified in Section 2(b) of this Article.

7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, anyone or more of the Directors may be removed with or without cause by the affirmative vote of more than 50% in number and in value of all of the 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 35% requirement set forth in Article VIII, Section 4. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

8. First Meeting. *[Intentionally Deleted]*

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

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

11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by him of the time and place. 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.

12. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon 24 hours prior written notice delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

The joinder of a Director in the action of a meeting by signing and concurring in the minutes of the meeting, shall constitute the presence of such Director for purposes of determining a quorum.

13. First Board of Directors. *[Intentionally Deleted]*

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

ARTICLE XII Officers

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

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

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

(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.

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.

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.

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

ARTICLE XIII Seal

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

ARTICLE XIV Finance

1. Records. The Association shall keep or cause to be kept detailed books of account showing all expenditures and receipts (including both general and special expenses, and receipts of administration) concerning the administration of the Condominium. Such books of account shall specify the maintenance and repair expenses of the common elements and any other expenses incurred on behalf of the Association and Members. The Members and their Mortgagees may inspect the books of account, records, and contracts at convenient times during normal working hours on normal working days at a place the Association designates. Whenever the Association has annual revenues greater than \$20,000.00 the books, records, and financial statements shall be audited or reviewed by a certified public accountant, as defined in section 720 of the occupational code, 1980 PA 299, MCL 339.720. The audit or review shall be performed in accordance with the statements on auditing standards or the statements on standards for accounting and review services, respectively, of the American institute of certified public accountants. The cost of such audit or review, and all accounting expenses, shall be an expense of administration. The Association may opt out of the requirements of an audit on an annual basis by an affirmative vote of a majority of its Members by any means permitted under the Association's bylaws. Any institutional holder of a mortgage lien on any Condominium unit who so requests shall be given a copy of the review or audit report within thirty (30) days following the receipt of the request or whenever the review or audit is completed, whichever is later. At least once a year, the Association shall prepare and distribute to each Member a statement of its financial condition, the contents of which shall be defined by the Association.

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

3. Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit

certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

4. Construction Liens. A construction lien arising as a result of work performed upon a Unit or limited common element shall attach only to the Unit upon which the work was performed. A construction lien for work authorized by the Association shall attach to each Unit only to the proportionate extent that the Owner of such Unit is required to contribute to the expenses of administration. No construction lien shall arise or attach to a Unit for work performed on the general common elements not contracted by the Association.

ARTICLE XV

Indemnification of Officers and Directors

Every Director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to (- which he may be a party or in which he may become involved by reason of his being or having been a Director or officer of the Association, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases where the Director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification 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 right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled. At least 10 days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all 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 XVI

Amendments

1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by 113 or more in number of the Owners by instrument in writing signed by them.

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

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

4. By Developer. *[Intentionally Deleted]*

4. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice has been given to all Owners in the same manner as prescribed in Article IX, Section 4 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Owners as prescribed in Article IX, Section 4, and an opportunity for such Owner to appear before the Board no less than 7 days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws.

5. Nonwaiver of Right. The failure of the Association or of any Owner to enforce any right, provision, covenant or condition in the future.

6. Cumulative Rights, Remedies and Privileges. All rights, remedies and privileges granted to the Association or any Owner or Owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of anyone 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.

7. Enforcement of Provisions of Condominium Document. An 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. An Owner may maintain an action against any other Owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

ARTICLE XX

Assessment of Fines

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

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

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

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

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

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

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

(a) First Violation. No fine shall be levied.

(b) Second Violation. One Hundred Dollar (\$100.00) fine.

(c) Third Violation. Two Hundred Dollar (\$200.00) fine.

(d) Fourth Violation and Subsequent Violations. Five Hundred Dollar (\$500.00) fine.

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

ARTICLE XXI

Rights Reserved to Developer

[Intentionally Deleted]

ARTICLE XXII

Severability

In the event that any of the terms, provisions or covenants of these Bylaws of 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 remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.