

**CARLETON PLACE SUBDIVISION  
BYLAWS**

**TABLE OF CONTENTS**

<b><u>NAME</u></b>	<b><u>PAGE(S)</u></b>
ARTICLE I – DEFINITIONS.....	1
Section 1. Act.....	1
Section 2. Address.....	1
Section 3. Annual Maintenance Charge .....	1
Section 4. Assessments.....	1
Section 5. Association, Corporation .....	1
Section 6. Ballot .....	1
Section 7. Board of Directors/Officers .....	1
Section 8. Bylaws.....	2
Section 9. Common Areas .....	2
Section 10. Community or Community Premises.....	2
Section 11. Community Documents .....	2
Section 12. Community Lot or Lot.....	2
Section 13. Community Subdivision Plat .....	2
Section 14. Declaration .....	2
Section 15. Default or Owner Fault .....	3
Section 16. Designated Voting Representative.....	3
Section 17. Dwelling .....	3
Section 18. Electronic Transmission, Electronically Transmitted .....	3
Section 19. Entrance Way, Landscaping and Perimeter Improvements .....	3
Section 20. Gender and Plural References.....	3
Section 21. Good Standing .....	3
Section 22. Irrigation Improvements .....	4
Section 23. Lot .....	4
Section 24. Mortgagee .....	4
Section 25. Non-Owner Occupant .....	4
Section 26. Owner .....	4
Section 27. Person.....	4
Section 28. Polling Place .....	4
Section 29. Proper Purpose .....	4
Section 30. Property, Premises or Community .....	4
Section 31. Purchaser.....	5
Section 32. Qualified and Eligible Owner .....	5
Section 33. Record .....	5
Section 34. Record Date .....	5
Section 35. Resident Owner .....	5
Section 36. Residential Purposes .....	5
Section 37. Right to Inspect .....	5
Section 38. Storm Drainage Facilities .....	5
Section 39. Structure .....	5

**NAME****PAGE(S)**

Section 40.	Subdivision(s).....	5
Section 41	Vacant and Abandoned.....	6
Section 42	Volunteer.....	6
Section 43	Voting and Voting Rights.....	6
ARTICLE II - ASSOCIATION OF HOMEOWNERS.....		6
Section 1	Community.....	6
Section 2	Membership .....	6
Section 3	Transfer of Interest.....	6
Section 4	Designated Voting Representative.....	7
Section 5	Documents Availability .....	7
Section 6	Ownership Limitations.....	7
Section 7	Secondary Market Limits.....	8
Section 8	Notices .....	8
ARTICLE III - BOARD OF DIRECTORS AND OFFICERS.....		8
Section 1	Membership .....	8
Section 2	Election .....	9
Section 3	Powers and Duties .....	9
Section 4	Additional Powers .....	12
Section 5	Management .....	12
Section 6	Maintenance of Records .....	13
Section 7	Indemnity .....	14
Section 8	Vacancies .....	16
Section 9	Removal.....	16
Section 10	Meetings of the Board of Directors.....	17
Section 11	Bonding.....	18
Section 12	Closure/Privileges .....	18
Section 13	Officers.....	18
ARTICLE IV - MEETINGS OF THE ASSOCIATION .....		19
Section 1	Location .....	19
Section 2	Quorum .....	19
Section 3	Annual Meeting .....	20
Section 4	Special Meetings.....	20
Section 5	Notice.....	20
Section 6	Adjournment.....	20
Section 7	Concurrence .....	20
Section 8	Procedure .....	21
Section 9	Order of Business .....	21
Section 10	Minutes of Meeting.....	21
Section 11	Remote Meetings.....	21
ARTICLE V – VOTING .....		21

**NAME****PAGE(S)**

Section 1	Methodology .....	21
Section 2	Qualifications & Eligibility .....	21
Section 3	Method to Vote.....	22
Section 4	Majority .....	22
Section 5	Catastrophic Event.....	22
Section 6	Action Without a Meeting .....	23
ARTICLE VI – ANNUAL MAINTENANCE CHARGE AND OTHER ASSESSMENTS.....		23
Section 1	Personalty .....	23
Section 2	Expense of Administration .....	23
Section 3	Annual Maintenance Charges.....	24
Section 4	Additional Assessments .....	24
Section 5	Apportionment.....	26
Section 6	Payments .....	27
Section 7	Discretionary Due Dates .....	28
Section 8	Exemption .....	28
Section 9	Liens .....	29
Section 10	First Mortgagees .....	31
Section 11	Status Letter.....	31
Section 12	Construction Liens .....	32
Section 13	Property Taxes.....	32
ARTICLE VII – ARBITRATION/ALTERNATIVE DISPUTE RESOLUTION.....		32
ARTICLE VIII - INSURANCE .....		33
Section 1	Coverages.....	33
Section 2	Lot Owner Insurance.....	34
Section 3	Proceeds.....	35
Section 4	Overlapping.....	36
Section 5	Association Appointment.....	36
Section 6	Increased Risk .....	37
Section 7	Loss of Coverage .....	37
Section 8	Absence .....	37
Section 9	Denial of Coverage .....	37
Section 10	Insurance Claims .....	37
Section 11	Mandatory Coverage.....	38
Section 12	Indemnification .....	38
ARTICLE IX - REPAIR OR RECONSTRUCTION THROUGH CASUALTY .....		38
Section 1	Estimates .....	38
Section 2	Lot Owner/Member Responsibility .....	38
Section 3	Association Access .....	39

ARTICLE X – LOT OWNER/MEMBER MAINTENANCE, RECONSTRUCTION, REPAIR, REMEDIATION OR ALTERATION, ACCOMMODATIONS AND MODIFICATIONS .....	39
Section 1    Lot Owner/Member Repairs/Maintenance.....	39
Section 2    Lot Owner/Member Alterations.....	40
Section 3    Responsibility for Acts or Omissions .....	41
Section 4    Time of Performance.....	41
Section 5    Accommodations/Modifications.....	41
ARTICLE XI - RESTRICTIONS .....	43
Section 1    Residential Use and Occupancy .....	43
Section 2    Prohibited Behavior and Activities.....	44
Section 3    Rules and Regulations .....	45
Section 4    Aesthetics/Activities .....	45
Section 5    Vehicles/Trailers/Boats/Camping RV's/Storage Units .....	46
Section 6    Weapons/Fireworks/Hazards .....	47
Section 7    Signage.....	47
Section 8    Pets or Other Animals .....	48
Section 9    Landscaping.....	49
Section 10    Sanitary Conditions .....	50
Section 11    Enforcement Expense .....	50
Section 12    Aesthetics .....	51
Section 13    Flags .....	51
Section 14    Litter .....	51
Section 15    Abandoned Lots .....	51
Section 16    Solar Provisions .....	53
Section 17    Electrical/Energy/Generating and Producing Devices.....	53
Section 18    Sales/Transfers .....	54
Section 19    Civility.....	55
Section 20    Drones (Unmanned Aircraft Systems – U.A.S.) .....	55
Section 21    Non-Discrimination and Fair Housing Compliance.....	56
Section 22    Association Exemption.....	56
Section 23    Social Media/Webpage .....	56
Section 24    Association Approval/Revocation.....	57
ARTICLE XII – MORTGAGES .....	57
Section 1    Mortgages of Lot .....	57
Section 2    Insurance .....	57
Section 3    Meetings .....	57
Section 4    Mortgage Default.....	57
Section 5    Mortgagee Notice.....	57
ARTICLE XIII – COMPLIANCE .....	57

ARTICLE XIV - REMEDIES FOR DEFAULT.....	58
Section 1    Definition in addition to Article I, Section 15 .....	58
Section 2    Relief .....	58
Section 3    Non-Waiver .....	59
Section 4    Cumulative Remedies .....	59
Section 5    Association Recovery for Costs, Fees and Expenses .....	60
Section 6    Limitation of Actions .....	60
Section 7    Grandfathering Provisions.....	60
ARTICLE XV - FINES.....	60
Section 1    Basis .....	60
Section 2    Procedure .....	61
Section 3    Fines .....	61
Section 4    Payment.....	61
Section 5    Revised Fines .....	61
Section 6    Category .....	61
Section 7    Waiver.....	62
Section 8    Notice of Violation .....	62
ARTICLE XVI – AMENDMENTS .....	62
Section 1    Amendment.....	62
Section 2    Provide Copies.....	62
Section 3    Termination, Vacation, Revocation or Abandonment .....	62
Section 4    Effective Date.....	63
Section 5    Lot #1 .....	63
ARTICLE XVII - SEVERABILITY .....	63
ARTICLE XVIII – DEFINITIONS AND CAPTIONS .....	63

EXHIBIT A  
CARLETON PLACE SUBDIVISION  
AMENDED AND RESTATED BYLAWS

**ARTICLE I**  
**DEFINITIONS**

**General Description of Terms Used.** Certain terms are used not only in the Restrictive Covenants and these Bylaws, but are or may be used in various other instruments such as by way of illustration without intent of limitation the Restated Articles of Incorporation, Rules and Regulations Resolutions of the Carleton Place Subdivision, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in CARLETON PLACE SUBDIVISION. Wherever used in such documents or any other pertinent instruments, the terms shall be defined as follows:

Section 1. Act. The “Act” means the Michigan Nonprofit Corporation Act, Public Act 162 of 1982, as amended, MCL 450.2101 et seq.

Section 2. Address. “Address” means a street address, post office box, electronic mail address for electronic transmissions by electronic mail, or telephone facsimile number for electronic transmissions by facsimile.

Section 3. Annual Maintenance Charges. “Annual Maintenance Charges” means the Annual budget established by the Board of Directors setting from anticipated income and expenses for the fiscal year and assessed to the Community Members.

Section 4. Assessments. “Assessments” refers to all amounts or other financial obligations and levied by the Board of Directors pertaining to budgetary expenses, fines, late charges, interest, costs, fees including fees for Attorneys or other Professionals or Contractors, recoupment of expenses or any other expenses or administrative charges provided for in the Community Documents which are chargeable and payable by the parties determined responsible by the Board of Directors.

Section 5. Association, Corporation. The terms. “Association” and “Corporation” shall mean CARLETON PLACE SUBDIVISION, a Michigan Non-Profit Corporation (CID #800888411, Old ID # 775883), of which all Lot Owners of CARLETON PLACE SUBDIVISION shall be Members. The term “Corporation,” when used herein in specific reference to the Association, shall be synonymous with the term “Association.” The Association shall administer, operate, manage and maintain the CARLETON PLACE SUBDIVISION in accordance with the Declaration of Covenants, Easements and Restrictions and other Community Documents.

Section 6. Ballot. “Ballot” means an instrument in writing or electronic form that is designed to record the vote or votes of Members under Section 408 (MCL 450.2408) or Section 409 (MCL 450.2409) of the Michigan Nonprofit Corporation Act, or at a vote conducted at a meeting of the Members, in person or by Proxy or as permitted by the Community Documents.

Section 7. Board of Directors/Officers. “Board of Directors/Officers” refers to those Lot Owners/Members in good standing and not otherwise in default of any terms or conditions of the Community Documents who are elected or appointed to serve as the Administrators of the affairs of the Carleton Place Subdivision. They shall also determine and establish amongst their Body of

Members the Principal Officers of the Corporation, being the President, Vice President, Treasurer, Secretary and Board Member at Large of the Association. Board Members must be Members of the Association and Natural persons.

Section 8. Bylaws. "Bylaws" means the Bylaws, as initially adopted by the Association's Board of Directors and as amended from time to time and means the Bylaws adopted pursuant to the Michigan Nonprofit Corporation Act, Act 162 of 1982 as amended by Act 557 of Public Acts of 2014, and as amended (MCL 450.2101 et seq.) which govern the procedures and administration of the Association as a corporate entity. These Bylaws state the substantive rights, obligations, restrictions and responsibilities in the Community and are now merged into these Amended and Restated Bylaws.

Section 9. Common Areas. "Common Areas" shall mean those portions of the Subdivision which are for the common use and enjoyment of the Lot Owners and as identified as a private Easement and as set forth on the Plat as "CARLETON PLACE COMMONS" ("COMMONS") and as set forth in the Declaration of Restrictions for FLOOD PLAIN REQUIREMENTS for CARLETON PLACE SUBDIVISION as executed on May 29, 2001 and recorded on August 30, 2001 in Liber 10687, Page 553 et. seq., Macomb County Records, including those areas designated as green or pond areas on the recorded Plat with respect to the Subdivision or as otherwise referenced in this Amended and Restated Declaration of Covenants, Easements and Restrictions, together with any improvements constructed within the foregoing areas, including without limitation, Facilities, Entrance Way, Landscaping and Perimeter Improvements, Irrigation Improvements and Storm Water Drainage Facilities. (See Exhibit C to Amended and Restated Declaration of Covenants, Easements and Restrictions for Carleton Place Subdivision.)

Section 10. Community or Community Premises. "Community or Community Premises" means the CARLETON PLACE COMMUNITY consisting of the areas residential Lots and Dwellings and the buildings, all improvements and structures, and all easements, rights of way, licenses and appurtenances as approved and reflected on the recorded Subdivision Plat(s).

Section 11. Community Documents. The term "Community Documents" shall mean the Restated Articles of Incorporation, the Amended and Restated Declaration of Covenants, Easements and Restrictions, the (Exhibit "A") Amended and Restated Bylaws, Exhibit B, the Subdivision Plat, Exhibit C, the Declaration of Restrictions for Flood Plain Requirements, the Subdivision Plats and Resolutions and Rules and Regulations, or the original Documents any amendments to the original amendments in the foregoing.

Section 12. Community Lot or Lot. "Community Lot" or "Lot" means the Lot and Dwelling residence space and all appurtenances constituting a single, complete private residential Lot designed and intended for separate Ownership and use in the CARLETON PLACE COMMUNITY as existing as of the date of recording of these Amended and Restated Bylaws.

Section 13. Community Subdivision Plat. "Community Subdivision Plat" means Carleton Place Subdivision Plat as recorded on August 30, 2001 in Liber 151 of Plats, Pages 44 through 53, inclusive, Macomb County Records.

Section 14. Declaration. "Declaration" means this Amended and Restated Declaration of Covenants, Easements and Restrictions including Exhibit A, the Amended and Restated Bylaws, Exhibit B, the Subdivision Plan, and Exhibit C Declaration of Restrictions for Flood Plain Requirements for CARLETON PLACE SUBDIVISION originally recorded September 13, 2001, which was recorded on October 4, 2001, in Liber 10814, Pages 147-166 both inclusive, Macomb

County Records (the "Original Declaration"), a First Amendment to Carleton Place Declaration of Restrictions, dated September 2, 2003, recorded September 4, 2003 in Liber 14162, Page 440, et. seq. Macomb County Records was executed by the Carleton Place Association as Amended;

Section 15. Default or Owner Fault. "Default or Owner Fault" means those circumstances as determined by the Board of Directors of the Association in its discretion, constituting of Lot Owner's/Member's acts of commission or omission (including without limitation, negligence, misuse, neglect, misfeasance, malfeasance or nonfeasance) or noncompliance regarding any provision of the Community Documents, or the written directives or requests of the Board of Directors or its agent. The term "Default" also includes the failure to pay mortgages, taxes or incur liens or forfeitures or any other obligation of ownership of a Lot which impact or jeopardize the health, safety, welfare, financial interest or aesthetics of the Community.

Section 16. Designated Voting Representative. "Designated Voting Representation (D.V.R)" refers to the form adopted by the Board of Directors which is signed by all Lot Owners/Members of title on any Lot in the Subdivision; it shall identify who owns the Lot and who, and at what address is to receive all Notices and communications from the Association. It also shall designate who shall cast the vote for that Lot as a Member of the Corporate Association. These must be furnished to the Association and must remain current.

Section 17. Dwelling. "Dwelling" shall mean the private single-family residence constructed on a Lot within the Subdivision(s) and all structures and improvements relating thereto.

Section 18. Electronic Transmission or Electronically Transmitted. "Electronic Transmission" or "electronically transmitted" means any form of communication that meets all of the following:

- (a) It does not directly involve the physical transmission of paper.
- (b) It creates a record that may be retained and retrieved by the recipient.
- (c) It may be directly reproduced in paper form by the recipient through an automated process.

Section 19. Entrance Way, Landscaping and Perimeter Improvements. "Entrance Way, Landscaping and Perimeter Improvements" shall mean any entrance way monuments, signs, landscaping and related improvements, and any perimeter landscaping, sidewalks, or fencing located within any Common Areas.

Section 20. Gender and Plural References. Whenever any reference in the Community Documents is made to one gender, the same shall include a reference to any and all genders or identities where the same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference to the plural shall also be included where the same would be appropriate and vice versa.

Section 21. Good Standing. A Lot Owner in "Good Standing" means an Owner whose Assessment and all other payment or performance obligations to the Association, as determined by the Board of Directors, are not in arrears, and who is not otherwise in default of any provisions of the Association's Community Documents. An Owner must be in "Good Standing" in order to be entitled to vote or serve on the Board of Directors under the Act and the Community Documents.



Section 22. Irrigation Improvements. "Irrigation Improvements" shall mean any irrigation systems and related facilities, equipment, devices or nozzles and heads and all components including meters and back flow protectors, timers and control boxes located in any Common Areas.

Section 23. Lot. A "Lot" shall mean each unit of land designated for private residential use and the construction thereon of a single-family Dwelling, as identified on the recorded Plat(s) with respect to each of the Subdivision(s).

Section 24. Mortgagee. "Mortgagee" means the named mortgagee or owner of any mortgage on all or any portion of a Community Lot or the Community Premises.

Section 25. Non-Owner Occupant. "Non-Owner Occupant" means any person or entity which holds a possessory right or interest or otherwise occupies a Lot by any means whatsoever, whether by lease or rental agreement or otherwise; as well as persons/entities without the payment of rent or any other consideration to the Owner.

Section 26. Owner. "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who or which owns record fee simple title to one or more Lots in the Community, regardless of whether the Lot is owned by one or more persons or entities.

The term "Owner," wherever used, shall be synonymous with the term "Lot Owner." and "Member." Both Land Contract vendees and vendors shall be considered "Owners," and shall be jointly and severally liable for all obligations and responsibilities of Owners under the Community Documents.

The term "Owner" shall not include any mortgagee or any other person or entity having an interest in a Lot merely as security for the performance of an obligation, unless and until such mortgagee or other person or entity shall have acquired fee simple title to such Lot by foreclosure or other proceeding or conveyance in lieu of foreclosure.

Section 27. Person. "Person" means an individual, firm, corporation, partnership, association, trust, the State, or an agency of the State, or any other legal entity or combination of legal entities as defined by Michigan law.

Section 28. Polling Place. Pursuant to MCL 450.2408 and MCL 450.2409, the Board of Directors may elect to seek the approval of any action of the Lot Owners/Members without a meeting if the Board of Directors provides a Ballot to each Lot Owner/Member that is qualified and eligible to vote that allows the Lot Owners/Members to vote at a polling place (i.e. designated place to receive ballots) that is reasonably accessible to the Lot Owners/Members; or by any means permitted or authorized by the Community Documents.

Section 29. Proper Purpose. "Proper purpose" means a purpose that is reasonably related to a person's interest as a Member of the Association, as that term may be further defined in the Community Documents.

Section 30. Property, Premises or Community. The term, "Property", "Premises" or "Community" shall mean that certain real property described herein being CARLETON PLACE SUBDIVISION. The term "Property" shall be synonymous with the terms "Project", "Premises" and "Subdivision."

Section 31. Purchaser. "Purchaser" means each natural person or entity which acquires an interest in the title to a Lot by virtue of a conveyance, (voluntary or involuntary) transfer, assignment or by operation of law.

Section 32. Qualified and Eligible Owner. "Qualified and Eligible Owner" means a Lot Owner/Member whose Annual Maintenance Charge and Assessments (if any) and all other payment or performance obligations to the Association as determined by the Board of Directors are not in arrears and who is not otherwise in default as defined in Section 15 of this Article.

Section 33. Record. "Record" means to record as provided by Michigan law relating to the recording of deeds or other evidences of title or any interest in a Lot or the Community.

Section 34. Record Date. Unless otherwise selected by the Board of Directors in advance or required by a Statute, the "record date" for purposes of notice of and to vote at a meeting of Members or an adjournment thereof, or to express consent or to dissent from a proposal without a meeting, or for the purposes of any other action is the date sixty-one days prior to a transaction (whether the transaction is a meeting date or ballot return date) by which a person must have acquired title to or an interest in a Lot to be entitled to notice and the right to vote; or a date as set forth in a notice by the Board of Directors.

Section 35. Resident Owner. The term "resident Owner" means an Owner who maintains a Lot and Dwelling within the Subdivision(s) as their primary residence.

Section 36. Residential Purposes. The term "residential purposes" means a Lot and dwelling fit for private use and habitation and occupied by person or persons as a family unit or household on a continuous or daily basis as their usual place of abode without interruption or occupancy by others on a temporary or for hire basis. Occupancy by person or persons pursuant to a Lease, Rental or Rentals Other Occupancy Agreement for a period of not less than one year and has been approved by the Board of Directors and complies with the requirements of the Community Documents shall also be deemed consistent with "Residential Purposes." No vacation, transient, Air BnB, short term lodging, commercial, agricultural, manufacturing, industrial, breeding or husbandry usage is permitted.

Section 37. Right to Inspect. "Right to inspect" includes the right to copy and make extracts from the records of the corporation and, if reasonable, the right to require the corporation to supply copies made by photographic, xerographic, or other means as permitted by Statute or as provided for in the Community Documents. To cover the costs of labor (including without intent of limitation gathering, compiling and making available such records or monitoring such examination and inspections) and material, the corporation may require a member to pay a reasonable charge.

Section 38. Storm Drainage Facilities. "Storm Drainage Facilities" shall mean all storm water drainage facilities located on the Property, including but not limited to the storm water basins, storm sewer lines, manhole covers, and storm water drainage grates.

Section 39. Structure. The term "structure" means a building, construction or something that is constructed (whether pre-fabricated or not) that is built on the land which is not attached to, or part of a Dwelling or Lot. The terms structure includes "outbuilding". Outbuilding attached to the dwelling for structural support are not permitted nor are they part of the dwelling.

Section 40. Subdivision(s). "Subdivision(s)" shall mean the single-family residential subdivisions known as CARLETON PLACE SUBDIVISION pursuant to the Plat recorded thereof.

CARLETON PLACE SUBDIVISION recorded on August 30, 2001 in Liber 151 of Plats, Pages 44 through 53, inclusive, Macomb County Records.

Section 41. Vacant and Abandoned. Consists of a Lot or Dwelling that has not been legally occupied or maintained by a Lot Owner/Member continuously for more than 30 days and meets or exceeds the criteria set forth in the Community Documents.

Section 42. Volunteer. "Volunteer" means an individual who performs services for the corporation, other than services as a Volunteer Director, who does not receive compensation or any other type of consideration for the services other than reimbursement for expenses actually incurred.

Section 43. Voting and Voting Rights. The voting rights of Lot Owners/Members shall be as set forth in these Amended and Restated Bylaws.

## **ARTICLE II**

### **ASSOCIATION OF HOMEOWNERS**

Section 1. Community. Carleton Place Community, a private residential Community located in the Township of Macomb, Macomb County, Michigan, is administered by its nonprofit corporation, organized under applicable Michigan law, being Carleton Place Subdivision (previous CID#716753) (new ID#800810765) (hereinafter "Association").

The Association through its Board of Directors is responsible for the management, maintenance, operation, administration and enforcement of the Community, its Amended and Restated Declaration of Restriction, easements, and affairs of the Community in accordance with the Amended and Restated Declaration of Covenants, Easements and Restrictions, these Amended and Restated Bylaws, the Restated Articles of Incorporation, duly adopted Rules and Regulations and Resolutions of the Association (Community Documents). All Homeowners in the Community and all persons including, without intent of limitation, tenants, lessees, licensees, invitees, vendors, vendees or other Non-owner Occupants or members of their family or household, mortgagees or other persons or entities using, or entering upon, or acquiring any interest in any Lot or the Community, are subject to the provisions and terms of the Community Documents.

Section 2. Membership. Each person or entity acquiring title to a Lot in the Community shall become a Lot Owner/Member and shall be a Member of the Association. No other person or entity is entitled to membership. A Land Contract purchaser or person or entity acquiring title by operation of law is a Lot Owner/Member for all purposes consistent with the Community Documents. Copies of the evidence of ownership (Deed or Land Contract) shall be furnished to the Association when received and must be submitted for the Member to qualify to be eligible to vote as designated in Section 4 herein.

A Land Contract purchaser is presumed to be the Lot Owner/Member for voting purposes unless the Land Contract provides to the contrary or the Land Contract seller submits a dated written statement to the Association providing to the contrary. Both the Land Contract seller and the Land Contract purchaser shall be jointly and severally responsible for all obligations imposed by the Community Documents.

Section 3. Transfer of Interest. The share of a Lot Owner/Member in the funds, reserves and assets of the Association cannot be assigned, pledged or transferred in any manner except with the Member's Lot in the Community. A Member selling or the voluntary or involuntary transference

of any interest in a Lot is not entitled to any refund whatsoever from the Association for any reserve or other asset of the Association.

Section 4. Designated Voting Representative (D.V.R.). Each Lot Owner/Member shall file a written notice with the Association designating the individual representative (Designated Voting Representative) who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Lot Owner/Member:

(a) Such notice shall state the name and address of the individual representative designated, the number or numbers of the Lot or Lots owned by the Lot Owner/Member, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Lot Owner/Member on the Title or Land Contract.

(b) Such notice shall be signed and dated by all of the Lot Owner/Member (s) on the title or land contract.

(c) The Designated Voting Representative (DVR) may be changed by the Lot Owner/Member at any time by filing a new notice with the Association. If no written notice is filed as required by this Section, then the Lot vote cannot be cast until the written notice is received.

(d) If a Lot is owned by a married couple or life partner, either shall automatically be the Designated Voting Representative unless a written notice with other designation is received by the Association at or before any meeting in which a vote is taken in accord with the provisions of these Documents.

(e) In the event of ownership of a Lot by other than a natural person, such as a corporation, trust, or estate, a written notice designating the person who may vote at Association meetings and receive notices shall be filed with the Association. The notice shall state the name and address of the Lot owned by the Lot Owner/Member. If the Lot Owner/Member is a corporation, partnership or other similar entity, then only an authorized agent shall be the Designated Voting Representative (DVR).

(f) The Association shall only be required to accept the vote by the DVR (or its proxy where permitted) on file with the Association irrespective of any split of ownership interests or written agreement of multiple Lot Owner/Member of a Unit. However, only a Natural Person who is a Member may serve on the Board of Directors.

Section 5. Documents Availability. The Association shall keep current copies of the Community Documents, Community Subdivision Plan, and other Association Documents available for examination and inspection (at reasonable business hours) by Lot Owner/Member, prospective purchasers and prospective mortgagees of Lots in the Community, subject to the provisions of MCL 450.2101, et seq. and applicable Rules and Regulations of the Association and Section 6 of Article II of these Bylaws.

Section 6. Ownership Limitations.

(a) Subject to the exception of mortgage lenders that acquire title to Lots via foreclosure, no Member may own more than 10% of Lots within the Carleton Place Community, regardless of whether the Lot Owner/Member is an individual or legal entity. No more than 10% of the non-lender owned Lots may be owned by a Lot Owner/Member or by

an affiliate entity of a Lot Owner/Member (or affiliate entity of an entity) in which the Lot Owner/Member or the Lot Owner/Member's immediate family (or the affiliate entity) owns 20% or more of interest in the entity. (For purposes of this Section immediate family is defined as parent, spouse, child or step relationship thereof. And "affiliate entity" is defined as one in which a Homeowner which is an entity or other than a natural person has an ownership or controlling interest of more than 20%.)

In the event any person or entity owns more than 10% of the non-lender owned Lots in the Carleton Place Community such person or entity may not run or serve on the Board of Directors and may not exercise more than 10% of the voting rights.

(b) A Lot Owner/Member may not circumvent this restriction by acquiring title or beneficial ownership to multiple Lots in the Carleton Place Community through the use of a separate legal entity or entities. Any Lot Owner/Member who has any interest (ownership or otherwise) in any legal entity or entities that own Lots in the Carleton Place Community shall be deemed to be the "Lot Owner/Member" of any and all of such entity-owned Lots for purposes of this Section 6.

(c) Any Lot Owner/Member who owns more than 10% of Lots in the Carleton Place Community at the time of the recording of these Bylaws is exempt from this restriction insofar as such Lots are concerned; however, any such Lot Owner/Member may not acquire title to any additional Lots in the Carleton Place Community beyond those already owned at the time of the recording of these amendments if doing so would result in the Lot Owner/Member owning more than 10% of Lots in the Carleton Place Community. Any sale or transfer of a beneficial interest would be subject to the limitations herein.

Section 7. Secondary Market Limits. To the extent this provision is applicable, and that the Association is capable of complying, no more than (15%) of the non-lender owned Lots can be past due 60 days or more on Assessment obligations or as such limitation may change from time to time by FHA, FNMA, FHLMC or HUD or VA eligibility requirements. And no more than (50%) of the Lots can be Non-Owner Occupied or as such limitation may change from time to time by the aforementioned government entities.

Section 8. Notices. Notices provided for in the Community Documents shall be in writing addressed to the Association at its registered office in the State of Michigan and to any Member at the address on the Designated Voting Representative on file with the Association – or in default thereof, the Lot address or at the address in the instrument establishing title. The Association may designate a different address by giving written notice of change of address. Any Member may designate a different address by filing a new Designated Voting Representative (DVR) form.

### **ARTICLE III**

#### **BOARD OF DIRECTORS AND OFFICERS**

Section 1. Membership.

(a) The affairs of the Association are governed by a Board of Directors, who shall also be the Officers of the Association and all of whom shall be Members and Natural Persons of the Association, and shall serve with nominal compensation approved by the membership at the Annual Meeting and for reimbursement of expenses incurred and approved by the Board of Directors

(b) Directors and Officers may be compensated only with the affirmative vote of a majority of the Lot Owners/Members present at the Annual Meeting of the Association. The amount of the compensation must also be approved by a majority of the Lot Owners/Members present at the Annual Meeting. The amount of compensation may be changed at each Annual Meeting upon the vote of a majority of the Lot Owners/Members present.

(c) Board Members shall be current in all obligations to the Association, and in good standing of the Association and not otherwise in default of the Community Documents: (i) If a Board Member is no longer a Lot Owner/Member, removal from the Board is immediate and automatic and shall be reflected in the Board minutes; (ii) A Lot Owner/Member declared by the Board of Directors or its authorized agent to be in default of any terms or provisions of the Community Documents shall not vote or serve as a member of the Board of Directors or any Committee. If default occurs after the Member has been seated, then upon written notice to the Member by the Board, removal shall be automatic and immediate in accordance with the terms and conditions of the notice; (iii) No more than one person per Lot owned may serve on the Board of Directors. No more than one seat on the Board of Directors may be held by any person or persons or entities who either individually or collectively holds title or a beneficial interest in common to a Lot in the Community.

Section 2. Election. The Board of Directors is comprised of five members. Three members are elected in one year and two members are elected in the following year. All Directors serve for a term of two years. Elected Board members hold office until their successors are elected, qualified, and hold their first meeting of the Board of Directors. The Board of Directors may appoint a nonvoting alternate resident Member in the Board's discretion.

(a) Election may be by acclamation if the number of candidates equals or is less than the number of vacancies on the Board to be filled at the Annual Meeting. In the event there are no candidates or an election may not be held, existing members may continue to serve provided such Director(s) wish to do so and there is a consensus of the Board for such member or members continue to serve. In default thereof, the remaining Board members shall fill the vacancy in accordance with Section 8.

(b) Inspectors of Election shall be selected by the Board of Directors prior to or at the beginning of the Annual meeting from volunteers present at the Annual meeting, Inspectors of Election may be qualified Lot Owners/Members, incumbent Board members not standing for re-election, or management personnel or any other disinterested person. A minimum of two Inspectors of Election is required.

(c) Ballots will be counted and verified by the Inspectors of Election. The candidates receiving the greatest number of votes will fill the vacant seats on the Board of Directors. The names of the new Board members will be announced to the membership immediately after determination. In the case of a tie vote, the existing Board of Directors will break the tie.

(d) Ballots must be maintained with the Association records for not less than three years from the Annual meeting date.

(e) Any other matters, such as the manner of election, meetings, quorum, and voting requirements are provided for in the Rules and Regulations.

Section 3. Powers and Duties. The Board of Directors has all the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things that

are not prohibited by the Community Documents or Michigan law, or required to be exercised and performed by the Lot Owners/Members. All projects and actions undertaken by the Association shall require the direction and approval of the Board of Directors. In addition to the general duties imposed by these Bylaws, or those which may be stated in Articles of Incorporation as amended or restated, the Board of Directors shall be responsible specifically as follows:

(a) To manage and administer the affairs and maintenance of the Community in accord with the Community Documents. In all instances the Board of Directors shall be governed and afforded discretion under the Business Judgment Rule.

(b) To determine, levy, collect and disburse, Annual Maintenance Charges (AMC), Assessments, fines, late charges, administrative charges, or other charges against and from the Lot Owners/Members of the Association or others and to use the proceeds for the purposes of the Association including, for example, without intent of limitation the acquisition, insurance, maintenance, repair, remediation, extraction and desiccation, replacement and reconstruction of the Common Areas and Lots or Dwellings of the Community in accordance with the Community Documents.

(c) To obtain insurance and distribute insurance proceeds in accordance with the provisions of Article VIII of these Bylaws.

(d) To rebuild improvements after fire or other casualty as optionally determined by the Board of Directors to be in the best interest of the Association.

(e) To contract for and employ persons, firms, corporations or other agents and professionals to assist in the management, operation, maintenance and administration of the Community. All contracts shall be deemed to incorporate, and all Vendors, their employees, agents or sub-contractors shall comply with all provisions of the Condominium Documents, including without intent of limitation, the Bylaw restrictions pertaining to Civility and Non-Discrimination and Fair Housing.

(f) To purchase or otherwise acquire on behalf of the Association, any Lots (including Dwellings thereon) offered for sale or surrendered by their Lot Owners/Members or mortgagees or lien holders, on behalf of the Association, subject to any limitations in the Community Documents.

(g) To purchase Lots (including Dwellings thereon) in the Community at tax foreclosure, mortgage foreclosure or other liens, judicial, or sheriff sales on behalf of the Association in order to protect the Association's lien position on that Lot or otherwise in the best interest of the Association.

(h) To sell, lease, mortgage, cast the votes appurtenant to (other than for the election of members of the Board of Directors), or otherwise take action with regard to Lots acquired by the Association.

(i) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including Lots with or without Dwellings, easements, rights-of-way and licenses) on behalf of the Association in furtherance of the Association's purposes.

(j) (i) To open and maintain accounts with financial institutions or entities, borrow money, issue evidence of indebtedness in furtherance of the purposes of the Association and designating signatories required for those purposes; (ii) and to borrow money on behalf of the Association when required in connection with the operation, care, upkeep, and maintenance, repair, remediation, extraction and desiccation, replacement and reconstruction of the Community or other purpose under the Community Documents and secure same by mortgage, pledge or other lien. The consent of at least 60% in number of the Designated Voting Representatives shall be required for the borrowing of any sum in excess of 10% of the annual operating budget for the year in which the loan originated; (iii) If any sum borrowed by the Board of Directors on behalf of the Association is not repaid by the Board, a Lot Owner/Member who has paid to the creditor the proportion of the sum which the Lot Owners/Member's interest in the Community bears to the interest of all of the Lot Owners/Members in the Community, shall be entitled to obtain from the creditor a release of any judgment or other lien filed or claimed by the creditor against the Lot Owners/Member's Lot; (iv) This provision shall not be construed to afford any creditor any right against any individual Lot Owner/Member or the Association.

(k) To determine an annual budget and such other financial plans for Association funds as may be necessary or desirable for the maintenance, repair, remediation, extraction and desiccation, replacement and reconstruction of the Community or Lots and Dwellings, or in furtherance of administration of the affairs of the Association.

(l) To adopt, enforce, amend, revoke, revise, or suspend Rules and Regulations convenient to the administration of affairs and operation of the Community.

(m) To establish or dissolve committees and to solicit volunteers for service on the committees as deemed necessary, convenient, or desirable; to appoint persons to the committees for the purpose of implementing the administration and operation of the Community; and to delegate to committees any functions or responsibilities which are not by law or the Community Documents required to be performed by the Members or Board of Directors.

(n) To enforce in the Board's Reasonable discretion and exercise of Business Judgment and Amend the provisions of the Community Documents.

(o) To maintain, or cause to be maintained, a list of all Lot Owners/Members of the Association, as well as a current list of Lot Owners/Members, Non-Owner Designated Voting Representatives and mortgagees.

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

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

(r) To carry out the purposes of the Association and to have all the powers conferred upon nonprofit corporations and Associations of Homeowners by Michigan law necessary to carry out those purposes.



(s) In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, remediation, replacement and reconstruction, and operation of the Community and to the accomplishment of any of the purposes of the Community.

(t) Purchase, receive, take by grant, gift, devise, bequest, or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use, execute contracts, deeds of conveyance and otherwise take any action with, regard to real or personal property, or an interest in real or personal property, wherever situated, either absolutely or in trust and without limitation as to amount or value.

(u) For administration of affairs and the benefit of the Community, participate with others in any corporation, business corporation, partnership, limited partnership, joint venture, or other association of any kind, or participate with others in any transaction undertaking or agreement that the participating corporation would have power to conduct by itself, whether or not the participation involves sharing or delegation of control with or to others.

(v) Subject to the terms of the Community Documents and as an option but not a mandate: to the extent necessary for the benefit and welfare of the Community, make repairs, additions, and improvements to or alterations of the Community and Lots and Dwellings and repairs to and restoration of the Community and Lots and Dwellings after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings or as a result of wear and tear or deterioration

(w) To initiate, assert, defend, ratify or settle claims in any forum or matter on behalf of all Lot Owners/Members in connection with or relating to, the maintenance, upkeep, repair, remediation, extraction and desiccation, replacement and reconstruction of the Community and administration or operation of the Community and, in the name of the Association.

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

Section 4. Additional Powers. The Board of Directors shall have the power and authority (but not the obligation) to make improvements to any Lot and Dwelling or advance payments upon any obligations or liens to protect and secure the interest of the Association and maintain the standards of the Community as required under the Community Documents. All such improvements, payments, or expenses are chargeable as Assessments and secured and collected in the same manner as Article VI hereof. Actions pursuant to this Section are permissive and not mandatory.

Section 5. Management. The Board of Directors may employ a professional management agent for the Association to perform those duties and services the Board of Directors authorizes. The Board of Directors may delegate to the management agent any other duties or powers which are not by law or by the Community Documents required to be performed by or have the approval of the Board of Directors or the Lot Owners/Members of the Association. No Board Member or Officer of the Board of Directors shall have any affiliation with the management agent.

Section 6. Maintenance of Records.

(a) The Board of Directors or its authorized agent shall maintain current copies of all Community Documents and keep detailed books of account showing all expenditures and receipts of administration. The books of account shall specify the maintenance, repair, remediation, extraction and desiccation, replacement and reconstruction or other expenses pertinent to the Community and any other expenses incurred by or on behalf of the Association and its Members.

(b) Such accounts, Association minutes, and executed contracts concerning the administration and operation of the Community, list of Lot Owners/Members and its other books and records will be available for examination for a proper purpose, meaning a purpose that is reasonably related to the Lot Owner's/Member's interest as a Member of the Association. Such examination may be made by any Lot Owner/Member or the Member's Designated Voting Representative, or their mortgagee, Attorney or other agent (if it's an Attorney or other agent, the demand must include a Power of Attorney or other writing that authorizes the Attorney or agent to act on behalf of the Lot Owner/Member) as limited by the provisions of MCL 450.2101 et seq. as amended and as may be set forth in Rules and Regulations.

(c) A Lot Owner/Member desiring to view records of the Association shall tender a prior written demand to the Board of Directors pursuant to the Nonprofit Corporation Act and any Rules and Regulations of the Community describing with reasonable particularity:

- (i) the purpose of the inspection;
- (ii) the records desired to be inspected;
- (iii) explain how such records sought are to be directly connected to the purpose; and,
- (iv) acknowledge that the Lot Owner/Member is responsible for the reasonable costs of any copies of records inspected and requested and including the labor and third-party charges involved in gathering, compiling, monitoring or supervision of such examination and inspection.
- (v) acknowledge that the request is not for any improper purpose and that such records shall not be disclosed to Third Parties who are not entitled to view or have such records.
- (vi) will not use the records for commercial purposes such as sales, resales, rentals, solicitation or advertising;
- (vii) will not disclose the information to any 3<sup>rd</sup> Party not entitled to obtain the information.

(d) The Board of Directors shall prepare and distribute a financial statement to each Lot at least once a year, the contents of which shall be defined by the Board of Directors.

(e) Unless otherwise decided by the Lot Owners/Members, the books of account shall be audited or reviewed annually by qualified independent accountants. The costs of any

audit compilation or review and any accounting and distribution expenses shall be expenses of administration.

(f) Any institutional holder of a first mortgage of record on any Lot and Dwelling in the Community is entitled to receive a copy of the Association's annual financial statement within 90 days after receipt by the Association of such financial statement, upon written request and payment of all administrative fees.

(g) All Lot owners shall furnish to the Association all of the information requested to be maintained on each Lot. The Board of Directors shall cause a file on each Lot in the Community to be maintained containing correspondence, approvals for architectural, landscape or other modifications, a list of major repairs performed or authorized by the Board of Directors and any other documentation necessary to provide a history of the Lot. Unless otherwise authorized by the Board of Directors, access is only available to the Lot Owner/Member, the Management Company and the Board of Directors and anyone or entity authorized by the Board of Directors or the Owner(s) of such Lot.

(h) Any of the books, records, or minutes may be in written form or in any other form that is convertible to written form within a reasonable time. The Association shall convert into written form without charge any record that is not in written form, if requested in writing by a person that is entitled to inspect the record.

(i) The Board of Directors may deny Lot Owners/Members, Attorneys or agent the right to inspect records and make or demand copies or extracts upon a good faith determination of one or more of the following:

(i) Allowing such inspection of records would impair the rights of privacy or free association of the Members of the Association;

(ii) Allowing such inspection of records would impair the lawful purposes of the Association;

(iii) Allowing such inspection of records is not in the best interests of the Association.

## Section 7. Indemnity.

(a) Except for an action by or in the right of the Corporation a person who is or was a Director, Officer, Employee, non-Director volunteer or agent of the Association shall be indemnified by the Association in any threatened, pending or completed action, suit or a proceeding whether civil, criminal, administrative, or investigative; including Judgments and Attorney's or other Professional's or Contractor Fees, penalties and fines and amounts paid in settlement;

(i) In a civil, administrative or investigative action (whether formal or informal) if the person acted in good faith and in a manner the person believed was in the best interests of the Association or its Lot Owners/Members; and,

(ii) In a criminal proceeding, if the person had no reasonable cause to believe the conduct was unlawful.

(iii) The indemnification provided by this section applies to expenses actually and reasonably incurred by the person in connection with the action.

(iv) The term “expenses” includes Attorney or other Professional or Contractor fees, judgments, penalties, fines, costs and amounts paid in settlement or any other expenses reasonably related as determined in the discretion of the Board of Directors.

(v) The termination of any civil, administrative or investigative action by judgment, order or settlement does not create a presumption that the person did not act in good faith or in the best interest of the Association or its Lot Owners/Members.

(vi) The termination of any criminal action by conviction, plea of no contest, or a plea that is the equivalent of a no contest does not create a presumption that the person had reasonable cause to believe the conduct was unlawful.

(vii) In an action where the person has been found liable to the Corporation, indemnification shall not occur except to the extent the Court or other Arbiter or Tribunal determines that such person is entitled to indemnification for those expenses which the Court considers proper.

(viii) A successful party on the merits or otherwise in defense of an action, suit or proceeding referred to above shall be indemnified against expenses and reasonable Attorneys’ fees [or other Professional’s] incurred in connection in the matter and any action brought to enforce indemnity pursuant to these Bylaws.

(ix) Indemnification continues despite cessation of any term of office as Directors, Officer or other capacity listed in (a) above unless such Director, Officer or other person has violated Section 7(b) herein.

(x) Officers’ and Directors’ shall be afforded the protection of the “Business Judgment” Rule and as set forth in Section 541 of Public Act 162 of 1982 as amended.

(b) This provision does not eliminate or limit the personal liability of a Director or Officer or other person for any of the following:

(i) A breach of the Director’s or Officer’s duty of loyalty to the Corporation or its Lot Owners/Members.

(ii) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law.

(iii) A transaction from which the Director or Officer or other person derived an improper personal benefit.

(iv) An act or omission occurring before the effective date of the provision granting limited liability.

(v) An act or omission that is grossly negligent.

(c) The Association assumes the liability for all acts or omissions of a Volunteer Director, Volunteer Officer, or other Volunteer occurring on or after the effective date of this provision granting limited liability if all of the following are met:

(i) The Volunteer was acting or reasonably believed he was acting within the scope of his authority.

(ii) The Volunteer was acting in good faith.

(iii) The Volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.

(iv) The Volunteer's conduct was not an intentional tort.

(v) The Volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in section 3135 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, MCL 500.3135.

(d) Unless otherwise decided by the Board of Directors, at least ten days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Lot Owners/Members of the proposed indemnification. Such payment must be approved by a majority vote of the Board of Directors, without the vote of any Director seeking indemnification. If there has been no judicial determination concerning the nature of the conduct, the Board of Directors may rely upon a written opinion of legal Counsel.

#### Section 8. Vacancies.

(a) In addition to Article II, Section 2, vacancies in the Board of Directors caused by any reason, other than the removal of a Director by a vote of the Members shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum.

(b) Each person so appointed shall be a Director until a successor is elected at the next Annual Meeting of the Association to serve the balance of the Director's unexpired term or a full term as the circumstances warrant.

(c) A Director's written resignation is effective upon the prospective date stated in a written notice or if no date is stated, upon acknowledgment in the minutes of the Board of Directors. A Director's oral resignation is effective upon the date acknowledged in the minutes of the Board of Directors.

Section 9. Removal. Any Board Member may be removed with or without cause at any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken.

(a) The affirmative vote of more than 50% in number of all Lot Owners/Members qualified and eligible to vote shall be required for removal of any Board Member.

(b) A successor may be elected at the meeting to fill any vacancy thus created. The quorum requirement for the purpose of filling the vacancy is 20%.

(c) Any Director whose removal has been proposed by the Lot Owners/Members shall be given an opportunity to be heard at the meeting.

(d) Three or more unexcused absences by a Board Member in any calendar year is cause for immediate and automatic removal from the Board but only upon motion and approval of a majority of the remaining Board Members.

(e) Use of proxies is prohibited for voting at the special meeting to remove Directors. Voting is required to be by written ballot.

(f) Removal of a Board Member for cause may also occur by majority vote of the Board of Directors then in office. As used in this section, "cause" means (1) conviction of a felony; (2) declaration of incompetency by Order of a Court; (3) gross dereliction of duty; (4) commission of an action involving moral turpitude or (5) commission of an action which constitutes intentional misconduct or a knowing violation of law, either event having resulted in improper personal benefit or material injury to the Association. The Director proposed for removal for cause shall be afforded a hearing before the Board of Directors prior to removal.

Section 10. Meetings of the Board of Directors are subject to the following:

(a) The first meeting of a newly elected Board of Directors shall be held within ten (10) calendar days of election or as may be convenient to the majority of Board Members thereafter at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no other notice shall be necessary to the newly elected Directors to constitute a duly called meeting.

(b) 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, facsimile transmission, telephone or email, at least 3 days prior to the date named for such meeting.

(c) Except as otherwise required due to exigent circumstances, special meetings of the Board of Directors may be called by the President on 3 calendar days' notice to each Director, given personally, by mail, facsimile transmission, telephone (including text) or email, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in the same manner and on like notice on the written request of one Director.

(d) 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 the Director of the time and place thereof. If all the Directors are present in person at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

(e) At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such

adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing or concurring in the minutes thereof, shall constitute the presence of such Director for purposes of establishing a quorum and the action taken.

(f) Action may be taken by written consent without a meeting if before or after the action, members of the Board of Directors then in office or of a committee (for a committee's purposes) consent to the action in a writing.

(g) Concurrence. The transaction of business at any meeting of the Board of Directors, either regular or special, however called and notified, shall be as though made at a meeting duly held after regular call and notice, if a quorum is present either in person at the meeting. Members who are not present in person at the meeting are deemed to have consented to action taken at the meeting unless the Board Member files a written objection with the Secretary or managing agent to the form of call and notice and action of such meeting.

(h) Electronic Participation. The Board may allow the conduct of meetings of members of the Board of Directors, or any Committees by electronic transmission (e.g. email, conference telephone or remote communication,) as provided in the Rules and Regulations.

(i) Electronic Notice. Unless otherwise proscribed by the Board of Directors, any notice or communication to a Lot Owner/Member required or permitted to be in writing by the Community Documents may be via electronic transmission in a manner authorized by the Member.

Section 11. Bonding. The Board of Directors shall require that all Directors, Officers, agents and employees of the Association handling or responsible for Association funds be covered by adequate fidelity bonds purchased by the Association. The premiums on such bonds are expenses of administration. Such bonds shall not be less than the estimated maximum of Association funds, including reserve funds and in no event less than a sum equal to two (2) years aggregate of the Annual Maintenance Charge on all Lots plus reserve funds.

Section 12. Closure/Privileges. The Board of Directors, in its discretion, may close a portion or all of any meeting of the Board of Directors to the Lot Owners/Members or may permit Lot Owners/Members to attend a portion or all of any meeting of the Board of Directors. No Lot Owner/Member is entitled to review or copy any minutes of the Board meetings which reference privileged communications between the Board of Directors and Counsel for the Association, or any other matter to which a privilege against disclosure pertains under Michigan Statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules or Michigan Rules of Professional Conduct.

Section 13. Officers. The principal Officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer and Member at Large of the Board of Directors, all of which shall be Lot Owners/Members of the Association and members of the Board of Directors in good standing and not otherwise in default under the Community Documents. 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) 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.

(b) 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.

(c) The President shall be the chief executive Officer of the Association and shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of any association, including, but not limited to, the power to appoint committees from among the Members of the Association from time to time as discretionarily appropriate to assist in the conduct of the affairs of the Association.

(d) The Vice President shall take the place of the President and perform those duties whenever the President shall be absent, refuses 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 or required by the Board of Directors.

(e) The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of the meetings of the members of the Association. The Secretary shall have charge of any corporate seal and of such books and papers as the Board of Directors may direct and shall, in general, perform all duties incident to the office of the Secretary.

(f) The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors. Subject to final approval by the Board of Directors actual performance of these functions may be performed by others as designated by the Board of Directors.

(g) The Member at Large shall be a member of the Board of Directors and have such duties and responsibilities as the collective Board shall determine.

(h) The Officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized or required by the Board of Directors.

## **ARTICLE IV**

### **MEETINGS OF THE ASSOCIATION**

Section 1. Location. Meetings of the Association shall be held at a suitable place convenient to the Lot Owners/Members as may be designated by the Board of Directors.

Section 2. Quorum. The presence, in person, by written vote, or by proxy, of 20% in number of the Lot Owners/Members qualified and eligible to vote, constitutes a quorum for holding a meeting of the Members of the Association. If the purpose of the meeting is to vote on questions specifically required by the Community Documents to have a greater quorum, then the greater



quorum requirement is controlling. The written or electronic vote of a qualified and eligible Lot Owner/Member furnished at or prior to a meeting when the Lot Owner/Members not present at the meeting will be counted in determining the presence of a quorum for that meeting. The quorum required for meetings of the Association called for purposes of recall of a Board Member or members shall be 20% of the qualified and eligible Members, present in person. Proxies shall not be used for quorum or voting purposes in the case of a recall meeting.

Section 3. Annual Meeting. There shall be an Annual Meeting of Lot Owners/Members of the Association which shall be held at a date, time, place and manner determined by the Board of Directors. The results of the annual election of Board Members shall be announced at the Annual Meeting and the Lot Owners/Members may transact any business of the Corporation at the Annual Meeting. The Association shall have an Annual Meeting every twelve months. Only Lot Owners/Members can participate in Annual Meeting discussions unless called upon by Board member(s).

Section 4. Special Meeting. The President of the Association shall call a special meeting of the Lot Owners/Members when requested by written resolution of a majority of the Board of Directors or after receipt of a petition signed by one-third (1/3) of the qualified and eligible Designated Voting Representatives.

Section 5. Notice. Lot Owners/Members, as of the record date, shall be given written notice of each annual or special meeting by mail or any form of electronic media. The notice shall state the purpose of the meeting as well as the time and place where and how it is to be held and shall be sent to each Designated Voting Representative, at least 10 calendar days, but no more than 60 days prior to the meeting. The mailing, postage prepaid, or as otherwise permitted in these documents [or as set forth by the Designated Voting Representative (DVR)] of a notice to the Designated Voting Representatives and as set forth in an Affidavit pertaining to service of notice shall be deemed notice served. No business shall be transacted at a special meeting except as stated in the notice.

Any Lot Owner/Member may waive this notice requirement by filing a written notice of waiver signed by the Lot Owner/Member with the records of the Association. The written waiver constitutes due notice as required by this Section.

Polling place shall be established by the Board of Directors in the Notice of Meeting.

Section 6. Adjournment. If any meeting of Lot Owners/Members cannot be held because a quorum is not in attendance, the Lot Owners/Members who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called. New notices must be served for an adjournment which exceeds 48 hours. An informal meeting may be held as determined by the Board of Directors.

Section 7. Concurrence. The transaction of business at any meeting of the Lot Owners/Members, either annual or special, however called and notified, shall be as though made at a meeting duly held after regular call and notice, if a quorum is present either in person or by permissible proxy at the meeting. Lot Owners/Members who are not present in person or by permissible proxy at the meeting are deemed to have consented to action taken at the meeting unless the Member files a written objection with the Secretary or managing agent to the form of call and notice and action of such meeting.

Section 8. Procedure. In the discretion of the Board of Directors meetings of the Association may be conducted in accordance with Sturgis' Code of Parliamentary Procedure, Roberts Rules of Order, some other generally recognized manual of parliamentary procedure, or standard procedures adopted by the Board of Directors, when not otherwise in conflict with the Community Documents.

Section 9. Order of Business. The order of business at all Annual members' meetings is: (a) proof of quorum; (b) proof of notice of meeting or waiver of notice; (c) reading and approval of minutes of preceding meeting; (d) reports of officers; (e) reports of committees, open discussion/miscellaneous committee business; (f) appointment of Inspectors of Elections (when appropriate); (g) election of Directors (when appropriate); (h) unfinished business; (i) new business; (j) open discussion/miscellaneous business.

Section 10. Minutes of Meeting. Minutes, a tape/digital recording or any similar record of the proceedings of Lot Owners'/Members' meetings is presumed truthfully to evidence the matters addressed at the meeting when verified by an Officer of the Association. A statement in the minutes that notice of the meeting was properly given is prima facie evidence that notice was given. If recordings are utilized for the convenience of the recording Secretary then same shall not be deemed the Minutes of any meeting nor are same required to be maintained or released to any person or entity.

Section 11. Remote Meetings. Meetings of the membership may be held by electronic/remote communication provided that all qualified Members shall have access and a physical meeting is available (and if available) for those Members who inform the Board of Directors that they cannot attend by electronic means.

## **ARTICLE V**

### **VOTING**

Section 1. Methodology. Except as limited in these Bylaws, each Lot Owner/Member is entitled to one vote for each Carleton Place Community Lot owned unless limited as elsewhere stated in the Community Documents. Except as elsewhere prohibited in these Bylaws voting may be in person, by written ballot or by proxy.

Section 2. Qualifications and Eligibility.

(a) A Lot Owner/Member is qualified and eligible to vote only after presenting a copy of evidence of ownership (Deed or Land Contract) of a Lot in the Carleton Place Community to the Association, and executing and furnishing a Designated Voting Representative form signed by all persons/entities having an ownership interest in the Lot on or prior to the Record Date or as may otherwise be provided by the Board of Directors.

(b) The vote of each Lot Owner/Member may be cast only by the individual representative designated by the Lot Owner/Member in the notice required in Section 3 of this Article and Article II, Section 4 or given by such individual representative.

(c) A Lot Owner/Member who is delinquent in the payment of Annual Maintenance Charge or other Assessments, fines or administrative or other charges or who is otherwise in default of any of the provisions of the Community Documents at the time of the meeting is not qualified and eligible to vote.

(d) The right to vote includes the right to sign petitions, and the Lot Owner/Member must be qualified and eligible to vote at the time of presentation of a petition in order to validly sign or circulate a petition.

(e) Except as otherwise limited in these Amended and Restated Bylaws, a Lot Owner/Member shall be entitled to one vote for each Lot owned and voting shall be solely by number.

Section 3. Method of Vote. Votes may be cast in person, by written ballot or by proxy or by signed by the Designated Voting Representative not present at a given meeting in person, unless otherwise restricted by the Community Documents. Proxies must be filed with the Secretary of the Association or the management agent prior to the time of each meeting of the Association where the proxy will be used. Or as of the date set by the Board of Directors Untimely filed proxies are not valid. cumulative voting is prohibited and untimely Proxies are not valid.

(a) Proxy voting may be prohibited at the discretion of the Board of Directors for certain matters, including without intent of limitation, recall of Board Members or rescission of Association Rules and Regulations.

(b) Unless expired, Limited or terminated by its own terms, Proxies are valid for three (3) years.

(c) Except as elsewhere provided in the Community Documents, Proxies and absentee ballots are valid for any meeting or any adjournment.

(d) If a proxy holder is a Member of the Association, they must be qualified and eligible to cast the vote of the Lot on behalf of the qualified and eligible Member. Any condition of default applies to all Members as owners of the Lot.

Section 4. Majority. A majority, except where otherwise provided in the Community Documents, shall consist of more than 50% in number of those qualified and eligible to vote and present in person or by permissible proxy or by written or ballot at a given meeting of the members of the Association. Unless otherwise provided specifically in the Community Documents, a majority may also be a simple majority of Lots represented by Designated Voting Representatives present in person, or by proxy, or by written ballot at a given meeting of the Members of the Association called for a purpose as stated by the Board of Directors.

Section 5. Catastrophic Event. In event of a State or National Emergency, casualty or catastrophic event which causes substantial damage or destruction of the Community Premises or constitutes a substantial risk of harm or injury to the Members, all quorum requirements for meetings of Members shall be temporarily suspended. The President of the Board of Directors, or if absent, any Board Member, with the consensus of the Board or as circumstances dictate, shall be empowered to take those steps necessary and incur expenses of the Association attendant to attempt to secure, protect and safeguard the Premises and/or Members, to notify insurance companies as necessary to preserve known insurance claims, and to collect and disburse proceeds from insurance or other sources for such purposes, notwithstanding the lack of meetings of Members or Membership approval if otherwise required. Every Lot Owner/Member displaced or otherwise out of contact with the Association by reason of the State or National Emergency, or the casualty or catastrophic event has the affirmative duty to notify the Board of Directors (or any Director) of their address and contact information for meeting notification purposes. Upon receipt of such notification for all Lot Owner/Member, the suspension of quorum and meeting of Members' obligations shall

cease and a meeting of Members then and there shall be called upon termination of the State or National Emergency, casualty, or catastrophic or otherwise as conditions permit.

Section 6. Action Without a Meeting.

(a) Any action which may be taken at a meeting of the Lot Owners/Members (except for removal of Directors) may be taken without a meeting by written balloting of the Members. Ballots shall be solicited within the 60 day period of giving notice of meetings of Lot Owners/Members. The solicitation shall specify:

(i) the number of responses needed to meet the quorum requirement;

(ii) the percentage of approvals necessary to approve the action; and,

(iii) 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 Lot Owner/Member specifies a choice, the vote shall be cast in accordance with the Lot Owner's/Member's specification.

(b) Approval by written ballot is obtained by timely receipt of:

(i) the number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting;

(ii) the 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;

(iii) all such ballots must be signed by the Designated Voting Representative; and,

(iv) any proxy must be duly executed reflecting the designee and the Lot being voted and clearly identify the person authorized to deliver or cast the ballot.

## **ARTICLE VI**

### **ANNUAL MAINTENANCE CHARGE AND OTHER ASSESSMENTS**

Section 1. Personalty. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Community owned or possessed in common by the Lot Owners/Members. Personal property taxes based upon the personal property shall be treated as expenses of administration.

Section 2. Expenses of Administration. Expenditures affecting the administration of the Premises include costs incurred in the satisfaction of any liability arising within, caused by, or connected with the Community or Lots or the administration of the Community and the Community Documents. Receipts affecting the administration of the Community include all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the Lot Owners/Members against liabilities or losses arising within, caused by, or connected with the Community or Lots or the administration of the Community or under the terms of the Community Documents.

Section 3. Annual Maintenance Charge. The Board of Directors shall annually determine and levy for the expenses arising from the management, administration, repair, replacement, remediation, extraction and desiccation, renovation, insurance and operation of the Association by the Board of Directors and shall be levied against the Lot Owners/Members. Annual Maintenance Charge 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 the budget shall project all income and expenses for the forthcoming year which may be required for the proper operation, management, insurance and maintenance of the Community, and a reasonable allowance for contingencies and reserves.

(i) Any budget adopted shall include a reserve fund of at least 10% of the Association's current annual budget on a non-cumulative basis for major repairs, remediation, extraction and desiccation, renovation and replacements of Common Areas that must be replaced or maintained on a periodic basis for or other purposes in these Bylaws. This reserve fund must be funded by regular annual payments, rather than by additional Assessments, except in emergency or casualty circumstances. The minimum 10% standard required by this Section may prove to be inadequate for the Community. The Board of Directors should carefully analyze the Community to determine if a greater amount should be set aside in this reserve fund. The Board of Directors may, in its discretion, create other operating or reserve funds for specific purposes or expenses, including the exercise of any optional work by the Board of Directors as set forth in the Community Documents.

(ii) Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Lot in care of the Designated Voting Representative (DVR) and the [Annual Maintenance Charge] for the year shall be established based upon the budget, although the failure to deliver a copy of the budget to each Designated Voting Representative (DVR) of a Lot shall not affect or in any way diminish the liability of any Lot Owner/Member for any existing or future Annual Maintenance Charge or Assessments.

(iii) The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year, shall not constitute a waiver or release of Lot Owners'/Members' obligations to remit Annual Maintenance Charge or Assessments in an amount previously determined by the Board of Directors in prior fiscal years, until a new budget is adopted.

(iv) The Board of Directors may establish a multiyear Annual Maintenance Charge or Assessment for a specific maintenance, repair, remediation, extraction and desiccation, replacement or renovation project which spans one or more fiscal years. Such Annual Maintenance Charge may be paid for in ensuing years of [Annual Maintenance Charge or Assessments in order to complete such project(s) as may be determined in the Board's discretion.

Section 4. Additional Assessments.

(a) The Board of Directors has the authority to levy such additional Assessment or Assessments as it deems to be necessary in the Board's sole discretion, for any of the following:

(i) to meet deficits incurred or anticipated because current Annual Maintenance Charge is insufficient to pay the costs of operation, and maintenance or other obligations;

(ii) to make necessary repairs, remediation, extraction and desiccation, or replacements of existing Common Areas or Lots/Dwellings/structures where necessary;

(iii) to maintain an adequate reserve fund;

(iv) to provide additions to the Common Areas at a total annual cost not exceeding 10% of the current year's annual operating budget;

(v) to pay shortfalls in utilities or insurance premiums or proceeds or administrative expenses;

(vi) for any emergencies or casualties;

(vii) the Board of Directors shall also have the authority, without the necessity of Member consent, to levy additional Assessments pursuant to the provisions of the Community Documents pertaining to the default of any Lot Owner/Member in the payment or performance of any Lot Owner's/Member's obligations under the Community Documents [see Section 4(c)] or to third parties which may have a financial or aesthetic impact on the Community as determined by the Board of Directors;

(viii) the discretionary authority of the Board of Directors to levy Assessments pursuant to this subparagraph rests solely with the Board of Directors for the benefit of the Association and its Lot Owners/Members, and is not enforceable by any creditors of the Association or its Lot Owners/Members;

(b) Special Assessments.

In addition to those described in subparagraph (b) above, Special Assessments may be made by the Board of Directors from time to time and approved by the Lot Owners/Members as provided in this subsection, to meet other requirements of the Association, including, but not limited to:

(i) Assessments for additions to Common Areas whose total annual cost exceeds 10% of the current year's annual operating budget;

(ii) Assessments for any other appropriate purpose not elsewhere described. Special Assessments as provided for by this subparagraph (b) shall not be levied without the prior approval of more than 51% of all eligible and qualified Lot Owners/Members in number present at a meeting. The authority to levy Assessments pursuant to this subparagraph is solely for the benefit of the Association and its Lot Owners/Members and shall not be enforceable by any creditors of the Association or its Lot Owners/Members.

(c) Other Assessments.

(i) If in the opinion of the Board of Directors, any Lot Owner/Member fails to properly maintain, remediate, extraction and desiccation, repair or replace damage in their Lot or Dwelling, or alterations to the Community which adversely affects the appearance or safety of the Community in whole or in part, or the health, safety or welfare of the other Lot Owners/Members of the Community, the Board of Directors may (solely at its discretion and option without obligation) following written notice to such Lot Owner/Member, pursuant to the Designated Voting Representative (DVR) form (or last furnished address where no Designated Voting Representative is provided) take any and all action reasonably necessary to maintain, repair, remediate, extraction and desiccation or replace such Lot (including any Dwelling or structure), or alteration to the Community, and an amount equal to 150% of the cost thereof shall be assessed against such Lot Owner/Member, as an other Assessment.

(ii) If the Association incurs any costs or charges for maintenance, decoration, remediation, extraction and desiccation, renovation, repair or replacement of any Lot or Dwelling or the Community as a result of the actions or inactions of any Lot Owner/Member, or family, guests or invitees or Non-Owner Occupants of a Lot Owner/Member, the Association may (at its option without obligation) incur such costs and charge an amount equal to 150% of such costs or charges (including Association insurance deductibles) which shall be assessed against such Lot Owner/Member, as an other Assessment, and collected in the manner provided in Article VI of these Bylaws.

(iii) Fines, interest, late or administrative charges, or other costs and Attorney and other Professional or Contractor fees and expenses imposed against a Lot Owner/Member by the Board of Directors pursuant to the Community Documents shall be deemed Assessments and shall be charged, collected and enforced in the same manner as all Assessments pursuant to this Article.

Section 5. Apportionment. All Annual Maintenance Charge and Assessments levied against Lot Owners/Members shall be apportioned among and paid by the Members as follows:

(a) The common expenses associated with the administration and operation of the common areas, reserves, maintenance, repair, renovation, restoration, remediation extraction and desiccation, or replacement in the Community are levied against each of the Community Lots equally so that the total of the Annual Maintenance Charge equals the total of the expenses.

(b) (i) Any other unusual common expenses, charges, late charges, fines, interest, other Assessments, administrative charges, costs, fees (Attorney or Professional or Contractors) or other expenses benefiting less than all of the Community Lots, or any expenses incurred or expended by reason of Lot Owner/Member default or as a result of the conduct of less than all those entitled to occupy the Community or by their licensees or invitees, guests, lessees, vendees, renters or Non-Owner Occupants, contractors, agents, employees or members of their family or household, shall be assessed against the Community Lot(s) involved; and,

(ii) The Association shall have the right to surcharge any Lot Owner/Member for any excessive utility usage (if provided by Association) or damages to easement areas and services.

(c) The amount of all other expenses not assessed pursuant to subsections (a) and (b) shall be assessed against all Members to cover expenses of administration and shall be assessed according to the following flat-fee-per-Lot formula: The total sum of Assessments shall be divided by the total number of Community Lots in the Association. The resulting amount shall then be assessed against the Lot Owner/Member of each Lot, so that the Lot Owner/Member of each Lot is assessed an equal amount.

(d) Notwithstanding the consolidation of any Lots or relocation of boundaries, Assessments shall remain equivalent to the number of Lots or portions of Lots consolidated or boundaries so relocated.

Section 6. Payments. General Annual Maintenance Charge and Assessments as determined in accordance with Article VI above shall be payable by the Lot Owners/Members in one (1) annual installment, or in such other periodic installments or lump sums as the Board of Directors may determine with reference to Assessments or other Assessments. If acquisition of title occurs as or result of purchase at a mortgage or tax or other lien foreclosure sale, it shall conclusively be deemed and construed as the date of such sale and not the date of expiration of any redemption period.

(a) The payment of any Annual Maintenance Charge, Assessments or other Assessment is in default if the Assessment, or any part, is not received by the Association in full on or before the due date for the payment. A late charge shall be assessed by the Association upon any Annual Maintenance Charge, Assessment or other Assessment that is not paid within 10 days of the due date for the Assessment and may be charged for each month which the entire Assessment account is not paid in full. The amount of the late charge and any other pertinent conditions shall be established by the Board of Directors from time to time in the Rules and Regulations, together with any other conditions for imposition. Late charges are an administrative cost, not a penalty.

(b) (i) Any Annual Maintenance Charge, Assessments or other Assessments in default bear interest at the rate of 7% per annum or any higher rate allowed by law until paid in full.

(ii) All payments may be accepted without waiver of the right to collect all amounts due and shall be applied:

(1) first to costs of collection including Attorney's and other Professional's or Contractor's fees and expenses;

(2) to late charges and interest;

(3) to fines, administrative or other charges; and then

(4) to Annual Maintenance Charge, Assessments or other Assessments in order of oldest delinquency.



(5) the Association may accept any payment tendered without waiver of the right to collect all amounts due regardless of any notation by payer on the draft or accompanying letter or document.

There shall be no accord and satisfaction or compromise without an express writing by the Association.

(6) Any "carry over" or prior amounts due on Owner's Assessment accounts upon transfers of Lots or changes in Management or Administration shall be deemed to be due as outstanding and unpaid Assessments.

(iii) A designation by the Lot Owner/Member of any other method of application is not binding on the Association, and does not create an accord and satisfaction.

(iv) If a Lot Owner/Member owns more than one Lot with a delinquent account, the Board of Directors shall have the discretion to credit any payments to whichever Lots in whatever amounts the Board chooses.

(c) Each Lot Owner/Member (whether one or more persons or entities) is and remains personally liable for the payment of all Annual Maintenance Charges, Assessments or other Assessments, late charges, costs of collection, fines, administrative charges, Attorney and other Professional or Contractor fees or other costs and expenses pertinent to the Lot Owner's/Member's Lot which may be levied while the Lot Owner/Member has ownership of the Lot and which are incurred in the collection of such debt, without regard to whether the Lot Owner/Member still owns or resides at the Lot. All amounts due survive the ownership of a Lot Owner/Member.

(d) Both a land contract seller and the land contract purchaser are personally liable for the payment of all Annual Maintenance Charge, Assessment or other Assessments, charges, costs of collection, fines, administrative charges, Attorney and other Professional or Contractors fees, or other costs and expense pertinent to the subject Community Lot which are levied during the land contract term and any extension or termination, (including any redemption periods from foreclosure or forfeiture of the land contract) and which are incurred in the collection of such debt without regard to whether either party still owns or resides at the Lot.

(e) Surrender of any Lot to a mortgagee or in Bankruptcy without actual transfer shall not exclude the Lot Owner/Member from the levy of any Annual Maintenance Charge, Assessment or other Assessments and all other obligations due pursuant to these Bylaws.

Section 7. Discretionary Due Dates. All other Assessment or other Assessments or obligations due as determined in accordance with Article VI above shall be due and payable at the time and in the manner prescribed by the Board of Directors or as elsewhere contained in the Community Documents.

Section 8. Exemption. No Lot Owner/Member is exempt from liability for payment of Annual Maintenance Charges, Assessments or other Assessments and for contribution toward the Association's expenses of administration by waiver of the use or enjoyment of any of the Common Areas or abandonment of the Lot (with or without a Dwelling.) No Lot Owner/Member is exempt from payment of [Annual Maintenance Charges, Assessments] or other Assessments based upon the

failure of the Association or any managing agent to provide services, Lot or Dwelling repairs or management to the Lot Owner/Member. All obligations due and fees and costs of collection survive ownership of a Lot by a Lot Owner/Member.

Section 9. Liens. All Annual Maintenance Charges and any sums Assessed to a Lot by the Board of Directors which are unpaid, together with interest, costs of collection and late charges, Attorney and other Professional or Contractors fees and fines, advances for taxes, insurance, utilities or advances for any other purpose or for any other liens, which are made by the Board to protect the Association's lien, priority and community standards constitute a lien on the Lot. The Association lien has priority over all other liens except those for taxes upon the Lot in favor of any State or Federal taxing authority and a first mortgage recorded first before the Association's lien.

(a) The Board of Directors may enforce collection of delinquent Annual Maintenance Charges, Assessment or other Assessments by a suit at law for a money judgment or by foreclosure (or both) of the lien that secures payment of all sums secured by the lien and both pre-litigation and post litigation costs of collection, including actual Attorney and other Professional or Contractor fees, interest, costs and expenses are chargeable to the Lot Owner/Member or former Lot Owner/Member.

(b) No Lot Owner/Member may assert in answer or set-off to a complaint or as a challenge to foreclosure of the Lien brought by the Association for nonpayment of Annual Maintenance Charges or any Assessments the fact that the Association or its agents have not provided the services, Lot or Dwelling repairs, or management to the Lot Owner/Member. In any action, proceeding, or collection or enforcement activity the Association shall be entitled to recovery of all Attorney and other Professional or Contractor fees, interest, costs and expenses in any prosecution, defense or cross or third party activity or action (including pre and post litigation or Appellate fees and fees and costs.)

(c) The lien may also be foreclosed by a judicial action or by advertisement in the name of the Association by the Board of Directors. Each Lot Owner/Member and every other person who has any interest in the Community Premises, shall be deemed to have granted to the Association the unqualified right and expressly consents to the Association's right to elect to foreclose its lien either by judicial action or by advertisement.

(d) The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as amended from time to time, (except for any provisions related to lender workouts or such other regulated lending institution provisions) shall be used 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. However, the Association's right to collection of Attorney's and other Professional's or Contractor's fees is not limited by such statutes. The redemption period following Association foreclosure through advertisement or judicial action shall be 6 months unless the Lot is abandoned. If abandoned, the redemption period is 30 days. The Association is entitled to recovery of its interest, expenses, costs and Attorney and other Professional or Contractor fees costs and expenses in addition to all other amounts secured by the lien as provided in these Community Documents.

(e) Each Lot Owner/Member and every other person who has any interest in the Community, is deemed to have expressly authorized and empowered the Association to sell the Lot against which the Association's lien is recorded and to receive, hold and distribute the proceeds of the sale in accordance with the applicable priorities and the Community Documents.

(f) Each Lot Owner/Member acknowledges that at the time or acquiring title to the Lot, the Lot Owner/Member was notified of the provisions of this Section and that the Lot Owner/Member voluntarily, intelligently and knowingly and expressly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of Annual Maintenance Charge, Assessments or other charges and a hearing on the same prior to the sale of the Lot.

(g) The Association, through its Board of Directors, may bid in at the foreclosure sale and acquire, hold, lease, rent, mortgage or convey the Community Lot.

(h) A foreclosure proceeding may not be commenced without recordation and service of a notice of lien as follows:

(i) The Notice of lien shall set forth:

(1) The legal description of the Community Lot or Community Lots to which the lien attaches.

(2) The name of the Lot Owner/Member of record of the Lot.

(3) The amounts due the Association at the date of the notice, exclusive of interest, costs and Attorney's fees. Any future Assessments, unless acceleration has occurred as provided for in this Section, may not be included in the amount stated in the notice of lien.

(ii) The notice of lien shall be in recordable form, executed by an authorized representative of the Association and may contain such other information regarding any and all obligations due as the Board of Directors may consider appropriate.

(iii) The notice of lien shall be recorded in the Macomb County Register of Deeds Office and shall be served upon the delinquent Lot Owner/Member by first class mail, postage prepaid addressed to the Designated Voting Representative at least 10 calendar days in advance of commencement of the foreclosure proceeding. The notice of lien does not have to be recorded at the time of mailing. If there is no Designated Voting Representative on file with the Association, service of the notice of lien shall be sent to the Lot Owner/Member of public record at the last known address. The Lot Owner/Member voluntarily acknowledges and consents that notice may be sent to the Lot address and voluntarily acknowledge and consents to the recordation of such Notice of Lien.

(i) An action to recover a money judgment for unpaid Annual Maintenance Charges, Assessments or Other Assessments may be maintained without foreclosing or waiving the lien. An action for money damages and foreclosure may be combined in one action.

(j) A receiver may be appointed in an action for foreclosure of the Annual Maintenance Charges, Assessments or Other Assessment lien and may be empowered to take possession of the Community Lot, if not occupied by the Lot Owner/Member, and to rent or lease the Community Lot and collect and apply any rentals as directed by the Court.

(k) The expenses incurred in collecting unpaid Annual Maintenance Charges, Assessments or other Assessments, including accelerated Assessments, interest, fines, late charges, costs, actual Attorney's and other Professional's or Contractor fees and any advances for taxes or other liens paid by the Association to protect its lien, are chargeable to the Lot Owner/Member in default and secured by the lien on the Lot and collectible by a civil action or foreclosure and survives occupancy or ownership of any Lot.

(l) In the event of default by any Lot Owner/Member in the payment of any installment of the Annual Maintenance Charges or any Assessment levied against the Lot Owner's/Member's Lot and in the event of default by any Lot Owner/Member in the payment of any installment or portion of any Additional or Special or Other Assessment levied against the Lot Owner's/Member's Lot, or any other obligation of a Lot Owner/Member which, according to these Bylaws, may be assessed to, and collected from, the responsible Member in the manner provided in this Article, the Association shall have the right to declare all unpaid installments of all Assessments for the applicable fiscal year (and for any future fiscal year in which the delinquency continues) and all unpaid portions or installments of the Assessment, Other or multiyear Assessments, if applicable, immediately due and payable. Such accelerated amounts may be deemed to be unpaid Assessments for lien recordation purposes.

(m) A Lot Owner/Member in default shall not be entitled to utilize any amenities (if applicable) or to vote at any meeting of the Association, and shall not be entitled to run for election or serve as a Director or be appointed as a Director or an Officer of the Association so long as the default continues. A Director or Officer subsequently in default shall not be permitted to continue to serve and shall be removed pursuant to Article III hereof.

Section 10. First Mortgagees. Notwithstanding any exemption from payment of Assessment arrearages, the holder of any first mortgage on a Lot or a purchaser at a public sale held by the first mortgagee which comes into any type of ownership interest remains liable for the actual incremental expenses of the Association incurred in securing, preserving or maintaining the Lot and Dwelling and the Common Areas. The Association is released from the obligation of maintenance, remediation, extraction and desiccation, repair or replacement of the Lot and Dwelling and its Common Areas in the event that payments of any Annual Maintenance Charge, or any Assessments or other charges for the Lot remain unpaid for at least 3 months.

Section 11. Status Letter.

(a) In compliance with the provisions of the Community Documents, the purchaser or transferee or assignee of any interest in any Community Lot shall request a written statement from the Association regarding the outstanding amount of any past due unpaid Annual Maintenance Charges Assessments, Special or Other Assessments, fines, late charges, repair costs, utility costs, administrative costs, and costs of collection, including actual Attorney or other Professional or Contractor fees, costs and expenses incurred.

(b) The Association shall provide a written statement of all such unpaid Annual Maintenance Charges, Assessments, Special or Other Assessments, fines, administrative costs and costs of collection, including Attorney and other Professional or Contractor fees as may exist, or a statement that none exist. The statement shall be binding upon the Association for the period stated. The Association may charge or cause to be charged a reasonable fee for preparation of the statement.

(c) Unless the purchaser or grantee or transferee or assignee requests the written statement from the Association at least 5 calendar days before the purchase of the Lot, or a minimum of 10 business days prior to the closing, the purchaser or grantee or assignee or transferee shall be liable for any unpaid Annual Maintenance Charges, Assessments, Special or Other Assessments, other charges, fines, administrative costs and costs of collection, including Attorney and other Professional or Contractor fees, against the Lot accruing prior to the purchase or grant. The costs of collecting such amounts from the purchaser or grantee or assignee or transferee, including interest and Attorney and other Professional or Contractor fees, shall also be charged to the purchaser, grantee, assignee or transferee. If all amounts stated in the written statement are not paid to the Association prior to closing or from the closing proceeds, the purchaser or grantee or assignee or transferee shall be liable for payment of all such amounts and subject to foreclosure of the Association's lien.

(d) Lot Owners/Members voluntarily acknowledge and consent to the disclosures provided in the status letter(s).

Section 12. Construction Liens. A Construction lien arising under MCL 570.1101 et. seq., as amended, is subject to the following limitations:

(a) Except as provided in this section, a construction lien for work performed upon a Common Area may attach only to the Common Area upon which the work was performed.

(b) A Construction lien for work authorized by the Association may attach to each Common Area or Lot or Dwelling.

(c) A Construction lien may not arise or attach to a Community Lot or Common Area for work which was performed but not contracted for by the Association.

Section 13. Property Taxes. All property taxes and special assessments levied by any public taxing authority shall be assessed against the individual Community Lot.

## **ARTICLE VII**

### **ARBITRATION/ALTERNATIVE DISPUTE RESOLUTION**

Section 1. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or disputes, claims or grievances arising among or between Lot Owner/Members or between Lot Owner/Members and the Association may, upon the election and written consent of the parties to the disputes, claims or grievances, and written notice to the Association, be submitted to arbitration or other Alternative Dispute Resolution proceedings and procedure. The parties shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association (or similarly recognized rules and entities) as amended and in effect from time to time are applicable to any arbitration. The costs of the arbitration will be shared equally with award of fees, expenses, and costs to whichever party prevails.

Section 2. Neither a Lot Owner/Member nor the Board of Directors of the Association is precluded from petitioning the Courts to resolve any disputes, claims or grievances.

Section 3. Written election by Lot Owner/Members and the Association to submit a dispute, claim or grievance to arbitration will preclude such parties from litigating the dispute, claim or grievance in the Courts.

Section 4. Notwithstanding the foregoing provisions regarding arbitration or any other remedies under these Amended and Restated Condominium Bylaws, the parties to any dispute shall have the ability to agree to mediate or facilitate or any other alternative dispute resolution procedures any disputes, the fees, costs, expenses, for some shall be shared by the parties to any dispute. In addition, with reference to any dispute between two or more members of the Association, such dispute shall be first submitted to an arbitration of the parties' choice prior to involvement of the Association. The prevailing party shall be entitled to an award of fees, costs and expenses.

## **ARTICLE VIII**

### **INSURANCE**

Section 1. To the extent applicable, the Association shall carry insurance coverage which includes property and general liability (including hired and Non-owned auto liability), fire and extended coverage, vandalism and malicious mischief insurance, code reconstruction and debris removal and demolition, errors and omissions for the Board of Directors, and title and workers' compensation insurance, if applicable, pertinent to the ownership, use and maintenance of any Lot (including any Dwelling) in the Community and any Common Areas for which the Association has repair, remediation, extraction and desiccation, or replacement responsibility or an ownership or administrative interest per the Community Documents. The Association may also obtain umbrella and cyber liability and other coverages. The Association shall be conclusively deemed to be an excess carrier of the property, liability or other insurance coverage if any Lot Owner/Member (unless the Lot and Dwelling is acquired by the Association) and any riders. Insurance shall be carried and administered as follows:

(a) All of the Community Premises (including any Lot and Dwelling and appurtenances) and such Common Areas for which the Association acquires or performs repairs, remediation, extraction and desiccation, or replacement will be insured against liability, fire and other perils covered by an extended coverage endorsement, in an amount equal to the current insurable replacement value to the extent deemed applicable and appropriate in an amount as determined annually by the Board of Directors of the Association. This determination will be made in consultation with the Association's insurance carrier and/or its agents and representatives applying commonly employed methods for the reasonable determination of replacement costs. The coverage shall be effected upon an agreed amount basis for the entire Community Premises with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total Premises destruction if the insurance proceeds failed, for some reason, to be equal to the total cost of replacement).

(b) All information in the Association's records regarding insurance coverages is available to all Lot Owners/Members on prior written request and reasonable notice during normal business hours so that Lot Owners/Members are able to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly called meeting to change the nature and extent of any applicable coverages, if so determined, and if the change is available to the Association. Upon such annual re-evaluation and effectuation of coverage, the Association shall notify all Lot Owners/Members of the nature and extent of all changes in coverages.

(c) Directors and Officers liability and Fidelity Bond insurance shall be carried in such limits as the Board of Directors may from time to time determine to be appropriate. The

liability insurance shall cover any persons who now are, or shall become duly elected or appointed Directors or Officers or others of the Association as set forth in the Community Documents. The policy may also have to be endorsed to include "prior acts" coverage for persons who had been duly elected or appointed Directors or Officers of the Association if it is determined that previous expiring policies do not cover claims for wrongful acts reported after the expiration or termination date of those expiring policies.

(d) The Board of Directors shall determine and require that all vendor contractors have Liability, property, vehicle and workers compensation insurance and alternatively may obtain and, shall carry insurance for persons in the employ of the Association.

## Section 2. Lot Owner Insurance

(a) Every Lot Owner/Member shall obtain primary insurance coverage at their expense upon their Lot and Dwelling and appurtenances and for instances of Lot Owner/Member fault per the provisions of the Community Documents.

(b) It shall be each Lot Owner's/Member's responsibility to obtain, by personal investigation from their own insurance advisors, the nature and extent of insurance coverage adequate to their needs and to obtain insurance coverage for the Lot and Dwelling and all improvements or personalty of the Lot Owner/Member, Non-Owner Occupants, their licensees, invitees, guests, agents, employees, contractors or members of their family or household, located within the Lot Owner's/Member's Lot and Dwelling or elsewhere on the Community.

(c) Each Lot Owner/Member shall obtain coverage for their personal liability for any and all losses, casualties or occurrences within their Lot and Dwelling or damages to another Member's Lot and Dwelling and any common areas or Lot or Dwelling owned by the Association, and also for alternative living and operating expenses in event of a fire or other casualty. The Association shall have absolutely no responsibility for obtaining such coverages or paying for Lot Owner's/Member's damages which the omitted coverage would have paid.

(d) Lot Owners/Members shall also require that their Non-Owner Occupants obtain insurance coverages.

(e) Each Lot Owner/Member shall provide proof of the insurance coverages required by this Article to the Association annually or upon the written request of the Board of Directors. The Association and all Lot Owner/Member shall use their best efforts to see that all property and liability insurance carried by the Association or any Lot Owner/Member shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Lot Owner/Member or the Association.

If a Lot Owner/Member fails to obtain or maintain the insurance coverages required by Sections (b) and (c), then the Lot Owner/Member shall be personally responsible for any out of pocket losses suffered by the Lot Owner/Member, the Association, or any other injured party, and the Association shall have absolutely no responsibility to reimburse or cover those losses.

(f) Any improvements or enhancements made by a Lot Owner/Member or Non-Owner Occupant or the Lot Owner's/Member's predecessor within a Lot or Dwelling shall be covered by insurance obtained by, and at the expense of, the Lot Owner/Member and Non-

Owner Occupant, as shall any items defined in the Community Documents as the Lot Owner's/Member's responsibility. The Association shall have no responsibility to carry coverages for such improvements, additions, enhancements or items, nor to submit to its insurer any claims by Lot Owners/Members, or to pay any deductibles or Lot Owner/Member losses in connection with such improvements, additions, modifications, enhancements or items.

(g) If Association insurance policies cover a loss which would otherwise be the responsibility of the affected Lot Owner/Member and Non-Owner Occupant, or if the affected Lot Owner/Member and the Association have dual coverages, and as a result the Association receives insurance proceeds, then the Association may, but is not required to, apply the insurance proceeds to the costs of such maintenance, reconstruction, replacement, remediation, extraction and desiccation, or repair. In the event of dual coverage, the Association has no affirmative obligation to submit the loss to Association insurance companies.

(h) All premiums for insurance policies purchased by the Association shall be expenses of administration.

(i) In the event a Lot Owner/Member fails to obtain such insurance or to provide evidence of such insurance to the Association, the Association may, but is not required to, obtain insurance on behalf of such Lot Owner/Member and the premiums paid shall constitute a lien against Lot Owner's/Member's Lot and may be collected from the Lot Owner/Member in the same manner that Association Assessments may be collected under these Bylaws

(j) Timely Compliance by Lot Owner/Member. If any Lot Owner/Member fails to immediately and timely commence or complete repairs, reconstruction, replacement, or maintenance as required by this Article or other provisions of the Community Documents, after written notice to do so by the Board of Directors, the Board of Directors may have the area secured or any required work performed and assess the costs and expenses incurred to the Lot Owner/member who was required to perform. The amounts so assessed may be enforced and collected as provided in Article VI of these Bylaws. The Association may also use those remedies available elsewhere in the Community Documents or by Law.

(k) Responsibility for Damages. Except as otherwise provided in the Community Documents each Lot Owner/Member shall also be responsible for the costs of the testing, reconstruction, repair, replacement, remediation and maintenance to any other portion of the Community if the costs arise through the Lot Owner/Member's actions, omissions, negligence or misuse, or the actions, omissions, negligence or misuse by the Lot Owner/Member's family, guest, tenants, lessees, vendees, licensees, or invitees, agents, servants, employees or contractors and to the extent such costs are not defrayed by the proceeds of any insurance policy held by Lot Owner/Member.

### Section 3. Proceeds.

(a) Proceeds of all insurance policies owned by the Association shall be received by the Board of Directors, held in a separate account and distributed and determined by the Board of Directors to the Association and the Lot Owners/Members and their mortgagees, as their interests may appear of record and determined by the Board of Directors. Whenever repair, remediation, extraction and desiccation, or reconstruction of the Community shall be required as provided in these Bylaws, the proceeds of any insurance received by the



Association as a result of the loss requiring repair, replacement, remediation, extraction and desiccation, or reconstruction shall be applied as determined by the Board of Directors for such repair, replacement, remediation, extraction and desiccation, or reconstruction. Excess proceeds, if any, shall be maintained for the benefit of the Association in an insurance reserve fund. In no event shall the Association be required to remit excess proceeds to an affected Lot Owner/Member.

(b) The deductible amount required by virtue of a loss occasioned through the acts or omissions of a Lot Owner/Member, Non-Owner Occupant or their members of their household, family, guests, licensees, vendees, agents, lessees, or contractors which is covered by the Association's insurance shall be paid by the Lot Owner/Member to whom the loss is attributable as determined by the Board of Directors.

Section 4. Overlapping. It is understood that there may be overlapping coverage between the Lot Owners'/Members' policies and those of the Association. In situations where both coverages/policies are applicable to a given loss, as conclusively determined by the Board of Directors, the provisions of this Section control in determining the primary carrier.

(a) In cases of liability for personal injury, property damage, or personal property damages arising as a result of occurrences in a Lot and Dwelling for which the Lot Owner/Member has responsibility under the provisions of the Community Documents, the Lot Owner's/Member's policy/carrier shall be deemed to be the primary carrier.

(b) In all instances where the property damage, personal injury, or personal property damage occurs by reason of the acts or omissions of the Lot Owner/Member, Non-Owner Occupants or the members of their family or household, guests, licensees, invitees, agents or contractors, the Lot Owner/Member's policy/carrier shall be deemed primary.

(c) In all cases where the Association's policy/carrier is not deemed the primary policy/carrier, if the Association's policy/carrier contributes to payment of the loss, the Association's liability to the Lot Owner/Member shall be limited to the amount of the insurance proceeds, and shall not in any event require or result in the Association paying or being responsible for any deductible amount under the Lot Owner/Member's policies.

(d) In all cases where the Lot Owner/Member and Non-Owner's policy/carrier is deemed primary for the purpose of covering losses where the damage is incidental or caused by a Common Area or the maintenance, repair, remediation, extraction and desiccation, replacement or reconstruction thereof, the insurance carrier of the Lot Owner/Members shall have no right of subrogation against the Association or its policy/carrier.

Section 5. Association Appointment.

(a) Every Member, by ownership of a Lot in the Community Premises, is deemed to appoint the Association as their true and lawful attorney-in-fact to act in connection with matters concerning the Association's maintenance of all risks coverage including property, liability, fire and extended coverage, vandalism and malicious mischief, errors and omissions (including without limitation Director's and Officer's liability insurance), liability and vehicle insurance and workers' compensation insurance, if applicable, pertinent to the Community, the Lots, and the Common Areas with such insurer as may, from time to time, provide insurance for the Community.

(b) Without limitation on the generality of the foregoing, the Association, as attorney-in-fact, has full power and authority to purchase and maintain such insurance, to collect and remit premiums, to collect proceeds and to distribute the proceeds to the Association, the Lot Owners/Members and mortgagees, as their respective interests may appear and determined by the Board of Directors (subject to the Community Documents), to execute releases of liability and to execute all documents and to do all things on behalf of the Lot Owners/Members and the Community as are necessary or convenient to the accomplishment of the above.

Section 6. Increased Risk. Each Lot Owner/Member or Non-Owner Occupant, by ownership or use of a Lot or the allowance or the maintenance of any condition or circumstance in or about the Lot or the Common areas of the Community which increases the hazards or risks or is considered an inherently dangerous activity (as determined in the reasonable discretion of the Board of Directors), has an affirmative duty to notify the Board of Directors as to the existence of the condition or circumstance. Failure to do so to either the Board or Management Company may result in a penalty to be determined by the Board. In addition, any Lot Owner/Member and Non-Owner Occupant who owns or permits the condition or circumstance shall carry sufficient insurance to cover the increased risks and hazards.

Section 7. Loss of Coverage. Each Lot Owner/Member and Non-Owner Occupant has a duty to immediately notify the Board of Directors of any intended or actual, lapse, cancellation, non-renewal, or discontinuance of any insurance coverages obtained in compliance with this Article. Upon written request by the Board of Directors or its duly authorized agent, such Lot Owner/Member and Non-Owner Occupant shall furnish evidence of compliance with the insurance requirements.

Section 8. Absence. Each Lot Owner/Member or Non-Owner Occupant shall ensure that if they are absent from their Premises for an extended period of time, their insurance coverage's shall remain in full force and effect regardless of the time period that they are absent from the Premises; and the Premises shall be maintained in the same condition as if occupied so as to preclude any weather related or other casualty occurrence conditions.

Section 9. Denial of Coverage. In the event that a Lot Owner's/Member's or Non-Owner Occupant's insurance denies coverage, or payment for any reason, the Lot Owner/Member and Non-Owner Occupant shall remain personally liable for all expenses and costs of repairs which are chargeable and collected as Assessments and damages.

Section 10. Insurance Claims.

(a) In the event of a casualty occurrence or event as a result of any act or omission which is caused by, contributed to, or permitted by any person or entity which is not the result of a circumstance of nature and is reasonably likely to result in cost or expense to the Association, then the affected or involved Lot Owner/Member shall file both a Property Damage and Liability Claim with their Insurance Carrier with reference to such occurrence or event.

(b) In the event that the Lot Owner/Member and/or the Non-Owner Occupant fails to cooperate in claims processing (including without limitation, joining in any claim) with the Association, its agents, management, vendors or in any way interferes with or obstructs the prompt processing or repairs and reconstruction, the Board of Directors can charge back all fees, (including Attorney or other Professional or Contractor's) costs and expenses incurred or expended by the Association by reason of the Lot Owner/Member and/or Non-Owner

Occupants failure to cooperate or otherwise in any way interferes or obstructs the claim and process.

(c) In no event shall the Association be responsible for consequential damages.

(d). Except as otherwise decided by the Board of Directors, only the Association (via the Board of Directors) can file claims with the Association's Insurance carrier. Any other person or entity filing a claim with the Association's Insurance carrier without the consent of the Board of Directors shall be responsible for payment of any applicable deductible.

(e). In the event that the Association is required to pay any deductible to any Insurance carrier, by reason of any act or omission of any person or entity with an interest in, or who is otherwise subject to, the Community Documents, such deductible shall be recoverable from any person or entity whom the Board of Directors determines to be at fault or otherwise responsible in the exercise of their Business Judgment.

Section 11. Mandatory Coverage. Insurance Coverages in this Article are mandatory regardless of whether there is a mortgage on the Premises or not.

Section 12. Indemnification. In the event of Lot Owner/Member fault each individual Lot Owner/Member shall indemnify and hold harmless every other Lot Owner/Member and the Association for all damages and costs, including Attorney's or other Professional's or Contractor fees, costs and expenses which such other Lot Owner/Members or the Association may suffer as a result of defending any claim arising out of and occurrence on the Common areas or within such individual Lot Owner/Member's Premises and shall carry insurance to secure this indemnity if so required by the Association. This Section shall not be construed to give any insurer any subrogation rights or other right or claim against any individual Lot Owner/Member.

## **ARTICLE IX**

### **REPAIR OR RECONSTRUCTION THROUGH CASUALTY**

Section 1. Estimates. Immediately after a casualty causing damage to property Lot and Dwelling whether or not is covered by insurance obtained by the Lot Owners/Members or the Association, the Lot Owner/Member shall obtain reliable and detailed estimates of the cost to place the property in a condition as good as that existing before the damage.

Section 2. Lot Owner/Member Responsibility. If the damage is only to premises or part of a Lot and Dwelling which is the responsibility of a Lot Owner/Member to reconstruct, repair, replace, remediate, extraction and desiccation, maintain, insure or repair, it is the responsibility of the Lot Owner/Member to immediately reconstruct, replace, remediate, extraction and desiccation, repair the damage in accordance with these Amended and Restated Bylaws and according to the terms and conditions set forth by the Board of Directors.

(a) The Lot Owner/Member shall begin reconstruction, remediation, extraction and desiccation, replacement or repair of any and all damages upon receipt of the insurance proceeds from the Lot Owner's/Member's insurance company or upon written notice to do so by the Board of Directors. The Association shall have no duty to release any insurance proceeds it may have received to the Lot Owner/Member until repair, remediation, extraction and desiccation, reconstruction or replacement has been properly completed. (Properly completed may mean all applicable permits and inspections performed and to the satisfaction of the Board of Directors.) The Lot Owner/Member is required to use the services of a

licensed and insured contractors, acquire all permits, inspections, and certificates of occupancy.

(b) Upon recordation of the instrument terminating the Plat or any portion of the Subdivision or any instrument altering or terminating any terms and conditions of a Plat or any portion thereof, each revised or remaining portion of a Lot shall be identified in accord with such instrument's provisions.

(c) Any applicable insurance proceeds shall be received and distributed or disbursed in accordance with Article VIII of these Bylaws.

Section 3. Association Access. In the event of a Common Area casualty, maintenance, repair, remediation or replacement is required and the Association requires access to any Common Areas or Lot of the Community which necessitates the moving or destruction of all or part of any addition, enhancement, or modification; or requires the removal of such modification; or access and damage to Lots, all costs, damages and expenses involved in providing access and restoration or which requires the removal of such modification, addition or modification shall be borne by and where applicable (as determined by the Board of Director), charged to the Association without cost or liability to the Lot Owner/Member. In all cases of restoration shall be near as practicable to original construction or modification(s) approved in writing by the Board of Directors, the access, removal, replacement, remediation or restoration costs and expenses shall be borne by the Association to the extent of original construction or to the extent of any approved modifications except in instances of Lot Owner/Member fault.

## **ARTICLE X**

### **LOT OWNER/MEMBER MAINTENANCE, RECONSTRUCTION, REPAIR, REMEDIATION OR ALTERATION, ACCOMMODATIONS AND MODIFICATIONS**

Section 1. Each Lot Owner/Member is responsible for maintenance, remediation, reconstruction and repair as follows:

(a) Every Lot Owner/Member shall promptly perform all maintenance, remediation, reconstruction and repair work within the Lot Owner's/Member's Lot and Dwelling and appurtenances, which, if omitted, would affect the Community in its entirety or in part or interests belonging to other Lot Owners/Members, being expressly responsible for the damages and liabilities that the Lot Owner's/Member's failure to do so may engender.

(b) Each Lot Owner/Member shall be solely responsible for the insurance, reconstruction, repair, remediation, maintenance, replacement and decoration of the interior of Lot Owner's/Member's Lot and Dwelling and appurtenances regardless of the source of the damage for which the repair is required as to the following items:

(i) All personalty and structures.

(c) If the Lot Owner/Member does not perform these obligations, the Association may (but is not obligated to) perform any and all such maintenance, reconstruction, replacement, remediation or repair or removal obligations and assess the costs and expenses incurred to the Lot Owner/Member as Assessments as provided in Article VI. The Association may also use other remedies available in the Community Documents or by law.

## Section 2. Lot Owner/Member Alterations.

(a) No Lot Owner/Member shall make any alterations, or exterior modifications, or additions or deletions or structures to a Lot, to the buildings or to any of the Common Areas without prior Notice to the Board of Directors.

(b) A Lot Owner/Member who performs any alteration or modification structure or deletion shall be responsible for maintenance, insurance, reconstruction, replacement, remediation, repair or removal of any and all such modifications or alterations or structures unless otherwise agreed to in writing by the Board of Directors. Every Lot Owner/Member shall have the affirmative obligation to notify their potential purchasers of modifications or alterations or structures and the purchaser's responsibility for them prior to transfer of title or transfer of any beneficial interest in the Lot.

(c) Any debris resulting from the construction and/or the destruction by fire or otherwise, in whole or in part, of any dwelling or Improvements on any Lot shall be promptly removed (within forty-eight (48) hours of issuance of temporary or final certificate of occupancy, or final acceptance of any permit therefore by the appropriate governmental authority(ies), or the occurrence of such destruction, whichever occurs first) from such Lot in order to preserve the sightly condition of the Subdivision. Each owner shall prevent their Lot(s), and any dwellings(s), structure(s), or other improvements(s) thereon from becoming unsightly or unkempt, or from falling into a state of disrepair.

(d) The Association shall not be obligated to reimburse Lot Owners/Members, Non-Owner Occupants or mortgagees for repairs that are made or contracted for unless approved in writing or reflected in the minutes of the Board of Directors. The Association shall only be responsible for payments to contractors for work authorized by the Board of Directors. The Association shall not be obligated to reimburse Lot Owners/Members or Non-Owner Occupants or mortgagees for any and all maintenance, repairs, decoration, replacement or remediation that they make or contract for without the express prior written approval of the Board of Directors. A Lot Owner/Member, Non-Owner Occupant or mortgagee who engages a contractor shall indemnify and hold harmless the Association for any and all liabilities or damages occasioned thereby.

(e) (i) If a Lot Owner/Member fails to properly maintain, decorate, repair, replace, remediate or otherwise keep their Lot, Dwelling or any improvements or appurtenances located therein in a clean and sanitary manner and in accordance with the standards set forth in the Community Documents and any Rules and Regulations as promulgated by the Board of Directors, the Association shall have the right (but not the obligation, including without limitation, the right to engage or arrange for services), and all necessary easements in furtherance thereof, to take whatever action or actions is deems desirable to so maintain, decorate, repair, replace or remediate, extraction and desiccation, the Lot, its Dwelling, appurtenances, all at the chargeable expense of the Lot Owner/Member of the Lot which shall be assessed, enforceable and collectible as provided in Article VI. The Association shall not be liable to the Lot Owner/Member of any Lot or any other person, in trespass or in any other form of action, for the exercise of rights pursuant to the provisions of this Section or any other provision of the Community Documents which grant such easements, rights of entry or other means of access. The Association may also use other remedies available in the Community Documents or by law or by equity.

(ii) Failure of the Association to take any action shall not be deemed a waiver of the Association's right to take any action at a future time, including without limitation, enforcement action. All costs and expenses incurred by the Association in performing any responsibilities which are required, in the first instance to be borne by any Lot Owner(s)/Member(s), shall be assessed against such Lot Owner(s)/Member(s) and shall be due and payable in accordance with Article VI of these Bylaws; secured by the lien for non-payment shall attach as in all cases of regular Annual Maintenance Charges, Assessments, Special or Other Assessments,, and such Assessments enforced by the use of all means available to the Association under the Community Documents.

Section 3. Responsibility for Acts or Omissions. Except as otherwise provided in the Community Documents each Lot Owner/Member, Non-Owner Occupant or mortgagee (and their agents or contractors) shall also be responsible for the costs of the reconstruction, repair, remediation, replacement and maintenance to any other portion of the Community if the costs arise through their actions, omissions, negligence or misuse, or the actions, omissions, negligence or misuse by their family or household, members, guests, tenants, lessees, Non-Owner Occupants, vendees, licensees, or invitees, agents, servants, employees or contractors and to the extent such costs are not defrayed by the proceeds of any insurance policy held by the Lot Owner/Member or mortgagee.

Section 4. Time of Performance. If any Lot Owner/Member, Non-Owner Occupant or mortgagee fails to immediately and timely commence or complete reconstruction, repair, remediation, replacement or maintenance as required by this Article or other provisions of the Community Documents, after written notice to do so by the Board of Directors, the Board of Directors may secure the property, have the required work performed or take all necessary action and assess the costs and expenses incurred to the Lot Owner/Member who was required to perform. The amounts so assessed may be enforced and collected as provided in Article VI of these Bylaws. The Association may also use any remedies available elsewhere in the Community Documents.

Section 5. Lot Owner/Member Accommodations/Modifications. Alterations by Lot Owner/Members with disabilities are subject to compliance with the following provisions:

(a) A Lot Owner/Member may make improvements or modifications to the Lot Owner/Member's Lot, including improvements or modifications to Common Areas and to the route from the public way to the door of the Lot Owner/Member's Lot, at their expense, if the purpose of the improvement or modification is to facilitate access to or movement to the Lot within or for persons with disabilities who reside in or regularly visit the Lot, or to alleviate conditions that could be hazardous to such persons with disabilities who reside in or regularly visit the Lot.

(b) The improvement or modification shall not impair the structural integrity of a structure nor diminish or impair the aesthetics of the Community.

(c) The Lot Owner/Member is liable for the cost of repairing any damage to a Common area or easement caused by building or maintaining the improvement or modification, unless the damage could reasonably be expected in the normal course of building or maintaining the improvement or modification.

(d) The improvement or modification may be made notwithstanding prohibitions and restrictions in the Community Documents, but shall comply with all applicable State and

local building code requirements and health and safety laws and ordinances and shall be made as closely as reasonably possible in conformity with the intent of applicable prohibitions and restrictions regarding safety and aesthetics of the proposed modification.

(e) (i) Before an improvement or modification allowed by this Section is made, the Lot Owner/Member shall submit plans and specifications for the improvements or modifications to the Board of Directors for review and approval. The Board shall determine whether the proposed improvement or modification substantially conforms to the requirements of this Section, but shall not deny a proposed improvement or modification without good cause. If the Board of Directors denies a proposed improvement or modification, the Board shall list, in writing, the changes needed to make the proposed improvement or modification conform to the requirements of this Section, and shall deliver that list to the Lot Owner/Member.

(ii) The Board shall approve or deny the proposed improvement or modification not later than 60 days after the plans and specifications are submitted to the Board. If the Board of Directors does not approve or deny submitted plans and specifications within the 60-day period, the Lot Owner/Member may make the proposed improvement or modification without the consent or the approval of the Association, however the Association has no responsibility for same.

(iii) A Lot Owner/Member may bring an action against the Association of Owners and the Officers and Directors to compel those persons to comply with this Section if the Lot Owner/Member disagrees with a denial by the Board of Directors of the Lot Owner/Member's proposed improvement or modification.

(f) An improvement or modification allowed by this Section that affects the exterior of the Lot shall not unreasonably prevent passage by other residents of the Community. A Lot Owner/Member who has made exterior improvements or modifications allowed by this Section shall notify the Association in writing of the Lot Owner/Member's intention to convey or permit occupancy of the Lot to another less than 30 days before the conveyance or lease. Not more than 30 days after receiving a notice from a Lot Owner/Member under this Subsection, the Board of Directors may require that the Lot Owner/Member remove the improvement or modification, at the Lot Owner/Member's expense which shall be assessed as an Assessment. If the Lot Owner/Member fails to give timely notice of a conveyance or lease, the Board of Directors at any time may remove or require the Lot Owner/Member to remove the improvement or modification, at the Lot Owner/Member's expense. However, the Board of Directors may not remove or require the removal of an improvement or modification if the Lot Owner/Member intends to resume residence on the Lot within twelve (12) months or conveys or permits occupancy of the Lot to persons with disabilities who needs the same type of improvement or modification, or to a person who has a person residing with them who requires the same type of improvement or modification.

(g) If a Lot Owner/Member makes an improvement or modification allowed under this Section or any other Articles as to their Lot for which they have responsibility, or the Common areas and easements the Lot Owner/Member shall maintain liability insurance, underwritten by an insurer authorized to do business in this State in an amount adequate to compensate for personal injuries caused by any improvement or modification. The Lot Owner/Member is not liable for acts or omissions of the Association with respect to the exterior improvements or modifications. The Association is only responsible for the cost of any maintenance, repair, remediation, extraction and desiccation and replacement of the

improvement or modification to the extent of the cost currently incurred by the Association for the Common areas and easements, but otherwise has no responsibility for such improvement or modification.

(h) As used in this Section, “persons with disabilities”, means that term as defined in the State Construction Code, MCL 125.1502a et seq. and other applicable Laws and Statutes including Michigan Persons with Disabilities Act, MCL 37.1101 et seq.; Michigan Elliott-Larsen Civil Rights Act, MCL 37.2101 et seq.; and Federal Fair Housing Act (1988 as amended), 42 USC 3601 et seq.

(i) Any person seeking a modification or reasonable accommodation due to any disability must provide reliable disability related information and documentation to verify that the person meets the Federal Fair Housing Act (and corresponding Regulations) definition of disability, being a physical or mental impairment that substantially limits one or more major life activities or functions; or State of Michigan Statutes (and Regulations).

(ii) The Association shall have no obligation to afford an accommodation, which requires fundamental alterations of the Association’s operations or imposes an undue financial or administrative burden.

(iii) The Association does not have an obligation to provide an accommodation or allow occupancy where such accommodation or occupancy would amount to a direct threat to the health or safety of other individuals or result in substantial physical damage to the property of the Association or other Lot owners.

(iv) The grant or denial of any such accommodations by the Board of Directors in its discretion in accordance with applicable law shall not constitute any breach of fiduciary or other corporate obligation.

(i) Accommodations or other improvements or alterations or modifications such as ramps shall require prior written Board approval and plans submitted in accord with Section 3(e) and any Rules and Regulations. All such accommodations, modifications, alterations and improvements shall comply with all municipal Ordinances and requirements and be of a temporary construction design so as to facilitate removal and Common areas and easements restoration at a later date.

## **ARTICLE XI**

### **RESTRICTIONS**

#### **Section 1. Residential Use and Occupancy.**

(a) No Lot and Dwelling in the Community shall be used for other than private residential purposes, and the Common Areas shall be used only for purposes consistent with such use. No Lot Owner/Member shall carry on any commercial activities anywhere on the premises of the Community, although Lot Owners/Members are allowed to have offices or home occupations in their homes, if it is not a violation of any ordinances or regulations of the local governmental entity; does not involve additional traffic and congestion within the Community; does not disturb other Lot Owners/Members; does not involve additional expense to the Association (such as utility charges and insurance), and does not violate any other provision or restriction contained in the Community Documents.



(b) Home occupations conducted entirely within the residence and participated in solely by members of the immediate family and household members residing in the residence that do not generate unreasonable traffic or cause disturbance and do not change the residential character of the Lot or neighborhood are permitted as incidental to primary residential use.

(c) To be permitted as a home occupation, there must be (i) no sign or display that indicates from the exterior that the residence is being used for any purpose other than that of a private residential Dwelling; (ii) no goods or commodities kept visible for sale or display within the Lot or the Community; (iii) no disturbing mechanical or electrical equipment used other than personal computers and other office equipment; and (iv) no disturbing odors, noises, or vibrations and (v) no traffic or parking congestion.

(d) Occupancy of Lots shall be restricted to the number of occupants as limited or proscribed by the Township of Macomb.

(e) The Board of Directors shall have the right to address work from home limitations and special or health related circumstances in the Rules and Regulations.

Section 2. Prohibited Behavior and Activities. No unlawful, offensive or unreasonably noisy, activities which cause excessive noise vibration or glare conditions or odorous or nuisance activity shall be permitted or maintained on any Lot or in any Dwelling in the Community; nor shall any use or practice be permitted that is a source of annoyance to, or that unreasonably interferes with, the peaceful possession or proper use and enjoyment of the Community by residents. No Lot or Dwelling shall be used in whole or in part for the storage of rubbish or trash or for the storage of any property or thing that may cause the Lot or Dwelling to appear in any unclean, untidy, unsanitary or uninhabitable condition. No substance or material shall be kept in or about a Lot that will emit foul or obnoxious odors or gases or that will cause excessive glare or noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of surrounding Lots or Dwellings or the Community.

(a) Any activities or behavior for which three or more written complaints from different Lot Owners/Members are received within a three (3) month period shall be conclusively deemed to constitute a nuisance or annoyance for purposes of enforcement action by the Association.

(b) Unsolicited electronic or other communications to other Lot Owners/Members or distribution of commercial, solicitations and advertisings, may be deemed nuisance behavior by the Board of Directors, upon verifiable written complaints from other Lot Owners/Members.

(c) Lot Owners/Members, or Non-Owner Occupants who receive 3 or more violation notices pertaining to the Community Documents, within a 12-month period by reason of their acts or omissions or those of their family or household members, licensees, invitees, or guests or contractors shall be deemed to be disruptive activities and disturbing or nuisance behavior under the Community Documents.

(d) No Lot Owner/Member nor their Non-Owner Occupant shall use, permit, or allow to be utilized their Community Lot or Dwelling or the Common Areas in any manner which is inconsistent with the purposes of the Community, the terms and provisions of the Community Documents, or in any manner which constitutes a nuisance or will interfere with

or impair the rights of any other Lot Owner/Member in the use and enjoyment of their Community Lot or Dwelling or the Common Areas.

(e) No Lot Owner/Member, while in the Community, shall allow, cause, use or permit the use or operation at unreasonable hours and levels any device, tool, equipment or any other sound or noise creating circumstance which causes, or constitutes or is deemed a nuisance to other Lot Owners/Members or the Community in general. The Board of Directors may promulgate Rules and Regulations to address quiet hours in the Community and to further identify such prohibited conduct or circumstance in the enforcement of this provision.

Section 3. Rules and Regulations. Reasonable Rules and Regulations consistent with the Community Documents concerning the administration of the Community and the use and occupancy of the Common Areas or pertaining to Lots and Dwellings; or the rights and responsibilities of the Lot Owners/Members and the Association with respect to the Community; or the manner of operation of the Association and of the Community may be made and amended from time to time by the Board of Directors. Adopted Rules shall be reasonably germane to the purposes of the Association and equally enforced as to all Lot Owners/Members. Copies of all such Rules and Regulations and any amendments shall be furnished to all Lot Owners/Members and shall become effective 10 days after mailing or delivery to the Designated Voting Representative of each Lot Owner/Member. Any such Rule or Regulation or amendment may be revoked pursuant to the following procedure:

(i) The Board of Directors may promulgate, revise, repeal, amend or revoke any Rule or Regulation.

Section 4. Aesthetics/Activities.

(a) No Lot shall be used or maintained nor permitted to be used or maintained as a dumping ground for rubbish, trash, garbage, or other water, and the same shall not be kept on any Lot except in sanitary container with address and properly concealed from public view. Garage containers shall not be left at the road for more than twenty-four (24) hours in any one week.

(b) Trash receptacles must be used for normal weekly accumulations of trash or refuse and must bear the Lot address. Trash receptacles are not allowed on the street except for the limited time necessary for periodic collection as set forth in the Rules and Regulations. All trash must be bagged before being placed out for collection or in any other receptacles. Any and all costs and expenses incurred by the Association as a result of the lack of compliance with this subsection shall be charged to the responsible person and shall be collected as Assessments as provided in Article VI of these Bylaws. Arrangements must be made by the Lot Owner/Member directly with the appropriate disposal authority for disposal of obsolete or abandoned personal property or disposable items that will not fit entirely into a trash receptacle, and these items shall be placed only in designated disposal areas. Costs attendant to this type of disposal are the sole responsibility of the Lot Owner/Member.

(c) As with all other provisions in the Community Documents, failure to comply may result in the imposition of a fine or other enforcement action in accordance with the Rules and Regulations of the Association and the Community Documents.

(d) No Lot Owner/Member or Occupant shall allow or permit any unsightly, unsanitary, or unsafe condition shall be maintained on pathways, sidewalks, landscaped areas, driveways, roads, parking areas, porches, decks, balconies and patios, nor shall they

be obstructed in any way or be used for purposes other than for which they are reasonably and obviously intended.

(e) Subject to any applicable 'OTARD' Rule of the Federal Communications Commission (F.C.C.), antennae of any kind and satellite reception equipment, including, so-called "ham radio towers" and satellite dishes exceeding 18 inches in diameter that are visible from the exterior of any dwelling or located on any Lot are expressly prohibited in the Subdivision. Satellite dishes that do not exceed 18 inches in diameter may be mounted on the sides and the rear of the primary residence only, not on the front.

(f) All Lot Owners/Members or Occupants shall be obligated to move/relocate all vehicles or other obstructions so as to accommodate snow plowing and removal activities. Notice of such obligations may be posted on the Community website.

Section 5. Vehicles/Trailers/Boats/Camping RV's/Storage Units. No inoperable vehicles of any type may be brought or stored upon the Community either temporarily or permanently. No permanent storage of vehicles is permitted without prior written Board approval. Except under special conditions and circumstances approved by the Board of Directors, vehicles in the Community are subject to the following:

(a) Commercial Vehicles Definition

A powered vehicle used for commercial purposes exhibiting any of the following:

- i. Visibly equipped with commercial signage
- ii. Carrying equipment or material used in a business or for business trade purposes
- iii. Bearing markings identifying it as a commercial vehicle
- iv. Requiring a commercial driver's license
- v. Having more than 2 axles
- vi. Having a length greater than 270 inches
- vii. Having a width greater than 82 inches
- viii. Having a height greater than 82 inches
- ix. Having a Gross Vehicle Weight greater than 10,000 lbs.

(b) No house trailers, motor homes, commercial vehicles (as defined above), commercial or utility trailers, cars under repair or restoration, boats, boat trailers, camping vehicles, or vehicles equipped for snow plowing, with the following exceptions, may be either parked or stored on any Lot or street in the Subdivision, unless fully enclosed at all times within an attached garage.

(i) Exceptions to paragraph (b);

(1) Motor homes, camping vehicles, camping trailers, utility trailers and recreational boats on trailers may be temporarily parked in a Lot's driveway for loading/unloading and cleaning for no more than two 24-hour periods within a single week (Sunday through Saturday).

(2) Commercial vehicles and construction or lawn maintenance trailers may be parked in the Subdivision in the normal course of business for

making deliveries and pickups, yard maintenance, or residential construction and repairs. Commercial vehicles and construction or lawn maintenance trailers shall not be parked in the Subdivision overnight (10:00 PM to 6:00 AM).

(3) Commercial trailers used for self-moving of household furniture (e.g. U-Haul), dumpsters used to collect refuse for residential construction and repairs and storage pods or other storage containers, during loading and unloading, may be parked on the Lot's driveway (not on the street) for no more than 3 consecutive days

(4) A request for a temporary parking variance for motor homes, recreational vehicles, commercial vehicles, commercial and utility trailers, storage pods and dumpsters must be submitted to the Board. The Board has sole discretion in granting a variance.

(c) All vehicles brought into or maintained in violation of this Section shall be subject to removal from the Community through tagging and towing measures initiated by the Board of Directors in the Rules and Regulations or its designated agent, and fines may be levied or other enforcement action may be taken.

(d) Violation of any of these restrictions shall authorize the Board of Directors to assess fines pursuant to Article XV of these Bylaws or any other remedy set forth in the Community Documents.

(e) Vehicles must maintain current plates and some form of insurance or are otherwise prohibited on the Community Premises and subject to tagging and towing at the chargeable expense of the owner.

(f) Vehicles which substantially detract from the aesthetic appearance (by way of illustration and not of limitation) by reason of dilapidation, lack of maintenance or equipment, excessive rust or noise, smoke, leakage of fluids or other similar causes or deficiencies are prohibited on the Community Premises and are subject to tagging and towing at the expense of the owner.

(g) Operation of vehicles in the Community should be no greater than conditions permit utilizing due care in observance of weather conditions, pedestrians, bicycles or other traffic and parked vehicles; pedestrians have the right of way; vehicle operators shall not engage in distracted driving activities while upon the Community Premises.

(h) Autonomous vehicles are prohibited in the Community.

Section 6. Weapons/Fireworks/Hazards. No Lot Owner/Member or Non-Owner Occupant shall use, or permit the use by an occupant, agent, employee, invitee, guest or family member of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, slingshots, fireworks or other similar dangerous weapons, projectiles or devices anywhere on or about the Community.

Section 7. Signage. No signs or other advertising devices shall be displayed which are visible from the road, including "For Sale" signs, without prior written permission from the Board of Directors. The Board of Directors may provide for limited open house or other signage Requirements or Limitations in the Rules and Regulations.

Section 8. Pets or Other Animals.

(a) The maintenance, keeping, boarding or raising of animals, livestock, poultry, reptiles or other exotic animals is prohibited. No animal may be kept or bred for any commercial purpose. Pet sitting for more than 2 weeks requires prior written Board approval.

(b) Any pets or animals harbored, kept, allowed, owned or maintained upon the premises are subject to the following:

(i) No pet or animal shall be allowed to be obnoxious or offensive because of noise, barking, odor or unsanitary conditions or aggressively threatening behavior;

(ii) No pet or animal may run loose at any time in the Community and all pets and animals must be leashed or inside a carrier and attended by some responsible person while about in the Community. Dog runs, kennels, and wireless fences are not permitted except as provided in Rules and Regulations. Pets or Animals shall not be left unattended in motor vehicles;

(iii) Any deposits of fecal matter must be immediately removed when occurring and disposed of in a sanitary manner.

(iv) Any Lot Owner/Member who causes or allows any pet or animal to be brought or kept upon the Community Premises shall indemnify and hold the Association harmless for any loss, damage or liability which the Association may sustain as the result of the presence of such pet or animal on the premises, whether or not the Association has given its permission for the pet or animal;

(v) The Board of Directors shall have the right to require that any pet or animals be registered with it and may adopt such additional reasonable Rules and Regulations with respect to pets and animals as it may deem proper;

(vi) All pets and animals shall have an applicable license from the local County or Municipality and a copy must be provided to the Board of Directors and/or management company annually together with a copy of the pet's or animal's inoculation records if requested in writing;

(vii) If any pet or animal is determined by the Board of Directors to be a nuisance, the Lot Owner/Member or Non-owner Occupant must remove the pet within 10 days (or sooner in exigent circumstances) after written notice to the Designated Voting Representative from on file or Lot address from the Board. The Association may, without liability to the animal owner, ban, require removal, or have any pet, animal, reptile, bird, fish, insect, exotic or any other pet or animal removed from the Community which the Board of Directors has determined is in violation of the Community Documents whether by reason of these restrictions, undue financial and administrative hardship, or if such pet or animal poses a direct threat to the Community. The costs and expenses incurred by the Association may be charged to the Lot Owner/Member and collected as Assessments in the manner provided in Article VI.

Alternatively, the Board of Directors may contact an animal shelter or municipal animal control or other agency.

(viii) In the event of any violation of this Bylaw Section, the Board of Directors may also assess fines or other enforcement action for the violation in accordance with these Bylaws and in accordance with duly adopted Rules and Regulations;

(c) All service and emotional support companion animals shall be of a domestic nature and must comply or conform to all Federal, State, and local health and safety laws.

(i) Applications by any person for maintaining a service or emotional support companion animal in the Community shall be as set forth by the Board of Directors in the Rules and Regulations.

(ii) The Board of Directors may request to receive verification from a Doctor or other medical or Health professional, who, in their professional capacity, has knowledge about a person's disability, their requirements and familiarity with the therapeutic benefits of any animals, and the need for reasonable accommodations. No medical records or details of such person's disability need be furnished.

(iii) The Board of Directors may adopt reasonable Rules and Regulations regarding service and emotional support companion animals.

(iv) All service and emotional support companion animals entering upon the Community shall comply with the Community Documents and the Lot Owner/Member and Non-Owner Occupant maintaining, allowing residence or being visited by same shall be responsible for the actions and any violations by such animal or its handler.

(v) All damages or expenses to the Association by reason of the service or emotional support companion animal are chargeable to the Lot Owner/Member and person having such service or emotional support companion animal and are collectable as assessments against the Lot and Dwelling where such animal is harbored, kept, maintained, or visiting. In addition, misrepresentation of a "service animal" may be subject to criminal penalties pursuant to MCL 752.6 and 8 CFR 36.104 or any other State or Federal Laws and Regulations.

(vi) The Board of Directors may require removal of any animal, which causes undue financial and administrative hardship to the Association or poses a direct or unreasonable threat to Members of the Community; certain breeds or animals may be restricted in accordance with Association Insurance requirements or local municipal law (if found valid).

(vii) All person or entities who falsely represent or otherwise are unable to verify or established that an animal or creature is a service or emotional support companion animal shall liable pursuant to any applicable Statutes and Ordinances and liable to the Association for all damages and reimbursement of costs, fees (Attorneys and other professionals) and costs and expenses incurred or expended by the Association.

Section 9. Landscaping. Lot Owners/Members or Non-Owner Occupants are responsible for the care of all landscape areas and planting and for the removal of debris after flowering is completed.

a) The Lot, all dwellings and improvements must be properly and promptly and continuously well maintained so as to be aesthetically pleasing in nature and harmonious to the Community in the discretion of the Board of Directors. This includes all lawn areas, trees, berms, shrubbery, plantings, or other landscaping on the Lot.

b) (i) Only one (1) statue, ornamental, decorative or statuary not exceeding 2' in height, is permitted on the front yard/porch area, placed near the dwelling.

(ii) All such statues, ornamental, decorative, garden sculptures or statuary must be kept in good repair and finish to be aesthetically pleasing and harmonious to the Community in the discretion of the Board of Directors.

(iii) Limits on size, number and placement of items in (i), (ii) above are applicable to the front yard/face of the dwelling/porch area.

c) Should any Lot owner/Member or Occupant fails to maintain the foregoing lawn areas, trees, berms, shrubbery, plantings or other landscaping or statues, ornamental or decorative, garden sculptures, or statuary then the Association, after Notice to perform, and the failure of the Lot Owner/Member or Occupant to comply with the request(s) of the Board of Directors, may (but is not obligated therefore) perform on an as needed basis or arrange for performance of all such maintenance and repairs and charge back the costs of some as other Assessments to be collected in the same names.

Section 10. Sanitary Conditions. Every Lot Owner/Member and Non-Owner Occupant shall maintain their Lot and Dwelling and appurtenances for which they have maintenance responsibility in a safe, clean and sanitary condition regardless of the source or cause of any condition.

(a) The costs of cleanup of any spills of oil or chemical substances, or the presence of hazardous materials or lead, water or mold, mildew or fungus or bacteria related circumstances including costs of repair, remediation or replacement of the damaged area, is the responsibility of the Lot Owner/Member and non-owner occupant causing or contributing to the spill.

(b) Each Lot Owner/Member and Non-Owner Occupant shall use due care to avoid damaging any of the Common Areas, roadways, utilities, including telephone, multimedia, water, gas, plumbing, electrical or other utility conduits and systems and any other utilities servicing any Lot which are appurtenant to or which may affect any other Lot or Dwelling.

(c) Lot Owners/Members and Non-Owner Occupants shall not allow or permit any conduct, condition, or circumstance which creates or results in any risk, liability, or expense to the Association. Any and all costs, damages, or expenses resulting shall be assessed against the Lot Owner(s)/Member(s) and Non-Owner Occupants determined by the Board of Directors to be responsible.

Section 11. Enforcement Expense. Any and all costs, damages, expenses and Attorney's and other Professional's and Contractor's fees incurred by the Association in enforcing any of the restrictions set forth in this Article XI or other provisions in the Community Documents shall be assessed to the pertinent Lot or Lots. Any expenses incurred as a result of acts or omissions or the conduct of less than all those entitled to occupy the Community, or by their licensees or invitees, guests, Non-Owner Occupants may be assessed to and collected from the responsible Lot Owner(s)/Member(s) and Non-Owner Occupants as determined by the Board of Directors.

Section 12. Aesthetics.

(a) The Community shall at all times be maintained in a manner consistent with the highest standards of a first class private residential Community environment for the benefit of the Lot Owners/Members and all persons interested in the Community. If at any time any Lot Owner/Member and Non-Owner Occupant and mortgagee fails or refuses to carry out their obligation to maintain, repair, remediate, replace and landscape or any condition or circumstance or comply with a directive of the Board of Directors in a manner consistent with the maintenance of such high standards, the Board of Directors may elect (but is not obligated to) to maintain, repair, remediate or replace any Common Areas and do any landscaping or remedy, remove, remediate or abate any condition or circumstance and to charge the cost thereof to the persons/entity deemed responsible by the Board of Directors and collected in the same manner as Assessments pursuant to Article VI which shall survive occupancy or ownership of any Lot.

(b) No "through the wall" or "through window" air conditioners may be installed on any wall or any building in the Subdivision.

Section 13. Flags. The display of all flags other than the American Flag requires the prior written approval of the Board of Directors. The display of the American Flag is controlled by Federal Laws.

Section 14. Litter. The Common Areas, roadways shall not be used for disposal of cigarette butts, bottles, papers and wrappers or similar items, collectively defined as "litter." The costs of clean up and fines shall be assessed to the Lot Owner/Member and Non-Owner Occupant determined responsible and collected in the same manner as Assessments per Article VI.

Section 15. Abandoned Lots. As used in this Section, the following terms have the meaning defined below.

(a) Abandoned or Vacant Structure. A Lot and Dwelling is considered to be abandoned if it has not been legally occupied or maintained by a natural person/entity, continuously for 30 days or more or meets any of the following criteria:

(i) Provides a location for loitering, vagrancy, unauthorized entry or other criminal activity.

(ii) Has been boarded up or partially boarded restricting ingress and egress through windows and/or doors for at least 30 days.

(iii) Has real estate taxes in arrears for a period of time exceeding 365 days.

(iv) Has either water, sewer, electric or gas or any of the foregoing disconnected or not in use.

(v) Has not been maintained in compliance with the Michigan Property Maintenance Codes and ordinances of the local governmental entity that relate to Lots and their occupancy or use.

(b) Any lender under a note secured by a mortgage or any person, firm, or corporation holding a mortgage on a property who has filed a complaint for foreclosure by judicial action or is publishing a notice of foreclosure by advertisement, shall within five days



of either filing the complaint or publishing the notice, inspect the property which is the subject matter of the foreclosure proceedings. If the property is vacant or shows evidence of either being abandoned or vacant, the property shall be registered in compliance with subsection c below, within 10 days of inspection. After registration, the property shall be inspected at least once monthly until any rights of the lender or party holding a mortgage no longer exist in the subject property.

(c) For each abandoned and/or vacant Lot and Dwelling as defined in this Section the Lot Owner/Member of such property and any person, firm, or corporation holding a mortgage on a property as disclosed as a matter of record shall register with the Association, providing the following information to the Association.

(i) The legal name of each Lot Owner/Member, and mortgage holder. If the ownership or the entity holding a mortgage is a corporation, limited liability company, partnership or other non-natural legal entity, the resident agent, managing partner, general partners and/or shareholders names and contact information shall be provided.

(ii) Address of persons referred to in Subsection c(i) above.

(iii) The telephone number and address of an agent or representative authorized by the Lot Owner/Member, and/or party holding a mortgage to handle affairs for the property and to act as the person for notification. Such agent or representative must be capable of traveling to the property within a one hour driving radius of the Community.

(d) In order to defray the Association's costs of monitoring abandoned and/or vacant Lots, the Association shall charge a monthly fee in an amount as established from time to time by Resolution of the Board of Directors. No fee shall be imposed until 60 days following transmittal of a notice to register pursuant to this Section by first class mail to the last known Lot Owner/Member or mortgagee of record based on Association records.

(e) Upon notice to the Board of Directors being sent by first class mail to any person or entity appearing as a Lot Owner/Member or mortgagee of record based on assessing records, such Lot and Dwelling shall be secured with 72 hours. The Association may but is not required to secure the property, including the removal of debris, securing building openings by means of boarding the property in whole or in part, or taking other measures to secure the property. All such costs shall be assessable against any Lot Owner/Member or mortgagee of the property.

(f) All administrative expenses, Attorneys and Professional and Contractor's fees associated with the Association's right of entry shall be recoverable and assessed against any mortgage holder and Lot Owner/Member of the property jointly and severally.

(g) Each Lot Owner/Member and mortgage holder of any abandoned or vacant Lot and Dwelling shall be jointly and severally responsible for maintaining the Lot and Dwelling and property in conformity with these Bylaws:

The property shall be kept free of weeds, dry brush, dead vegetation, trash, junk, debris, building materials and any accumulation of newspapers, circulars, flyers, notices, except those required by federal, state, or local law, discarded personal items, including but

not limited to furniture, clothing, large and small appliances, printed material or any other items that give the appearance that the property is abandoned. [The property shall be maintained free of graffiti, tagging, or similar markings by removal or painting over with an exterior grade paint matching the color of the exterior of the Unit, after receipt of approval from the Board of Directors.] Each of these requirements shall be cumulative and in addition to any and all other requirements otherwise required of the Bylaws of the Association or other laws.

(h) Lot Owners/Members of property and holders of mortgages shall be jointly and severally liable for avoiding and correcting any interruption in utilities which will have the result of causing or contributing damage to the premises, including maintaining continuity of electrical power so that sump pumps will operate, maintaining heat so as to avoid broken pipes and furnishing other utilities as necessary to secure and maintain the premises.

(i) Any and all Attorney, other Professional or Contractor fees or costs incurred relating to this Section including but not limited to registration fees and costs incurred associated with enforcement activity shall be fully reimbursable to the Association by the Lot Owners/Members of the property and mortgage holders jointly and severally and shall be considered a lien upon the subject property subject to enforcement in the same manner as assessments per Article VI. Such method of enforcement shall be a cumulative remedy. Further examples of activities for which fees and costs shall be payable to the Association, include costs for preparation of correspondence relating to this Bylaw, costs for inspection, costs for vehicle removal, costs for entry of the subject property, costs for preparation or proceeding with enforcement pursuant to this Bylaw.

Section 16. Solar Provision. "Solar energy" means radiant energy received from the sun at wave lengths suitable for the heat transfer, photosynthetic use, or photovoltaic use.

Any Lot Owner/Member wishing to install any form of solar energy system shall submit an application for modification and approval, which shall conform to the Association's energy policy statement in its Rules and Regulations. Such application shall be processed by the Board of Directors within 90 days after a complete submission.

No Solar arrays are permitted in yards but must be confined to the Dwelling.

The Board of Directors shall have the ability and power to establish an energy policy statement regarding the application, approval, installation, usage, and operation of all such systems. Such policy shall include, by way of illustration, the location, design, architectural, aesthetics, responsibilities, or other requirements pertaining to such solar energy systems.

The Board of Directors may address the subject further in Rules and Regulations.

Section 17. Electrical/Energy/Generating and Producing Devices. Subject to the prior written approval of the Board of Directors, all electrical equipment or other energy producing and generating devices or compressors and utility services and charging devices for motor vehicles shall be installed, safely operated, and maintained at the sole cost and expense of the Lot Owner/Member and in accord with any applicable laws, ordinances, administrative rules, and standards of the industry or manufacturer.

(a) All such utility services usage shall be the expense of the Lot Owners/Members and not an expense of administration.

(b) A Lot Owner/Member must file a modification request and receive written approval prior to the installation of any such equipment and devices.

(c) All such devices shall be operated at the acceptable decibel limits established by the manufacturer and shall not be unreasonably noisy or a nuisance, overburden the existing utility services, nor be deleterious to the aesthetic appearance of the Community.

(d) The Board of Directors shall have the discretionary authority to regulate the dimensions, placement, size and appearance of any such energy and charging devices, electrical equipment, and utility services, through duly adopted Rules and Regulations of the Association.

(e) Vehicle charging stations must be installed within the Lot Owner's/Member's garage.

#### Section 18. Sales/Transfers.

(a) Whenever a Lot Owner/Member sells, gives, devises or otherwise transfers a beneficial interest in their Lot and Dwelling (whether voluntary or involuntary) such Lot Owner/Member shall give written notice to the Association within ten (10) days after consummation of the transfer. A copy of the document(s) effectuating the transfer shall accompany the notice.

(b) Failure to comply with this Section shall entitle the Association to impose an administrative fee to ascertain or verify any such transfer, as established in the Rules and Regulations, and which is chargeable and collectable in the same manner as Assessments and which survives occupancy or ownership of any Lot and Dwelling.

(c) No Lot Owner/Member may dispose of a Lot and Dwelling in the Community or any beneficial interest in a Lot and Dwelling by sale or other transfer of interest without complying with the following terms or conditions:

(i) A Lot Owner/Member intending to make a sale or other transfer of interest of a Lot and Dwelling in the Community, or any beneficial interest in the Lot and Dwelling shall give written notice of the intention delivered to the Resident Agent or management and shall furnish the name and address of the intended purchaser and such other information as the Board of Directors may reasonably require. Prior to the sale of a Lot and Dwelling, the selling Lot Owner/Member shall provide a copy of all the then current Community Documents to the proposed purchaser. If the Lot Owner/Member does not notify the Association of the proposed sale or if the Lot Owner/Member does not provide the prospective purchaser with a copy of the Community Documents, the purchaser shall be liable for an administrative charge as stated in the Rules and Regulations and any penalty for failure to comply as deemed reasonable by the Board of Directors. If the administrative charge is not paid, it shall be Assessed and collected as provided in Article VI and survives occupancy or ownership. This provision shall not be construed so as to relieve the purchaser of the obligation to comply with the provisions of the Community Documents.

(d) A holder of any mortgage which comes into possession of a Lot and Dwelling through the remedies provided in the mortgage, or foreclosure of the mortgage, or deed in

lieu of foreclosure, shall be subject to the provisions of this Section 19 and the Community Documents.

(e) Upon written request to the Association for purposes of a sale and transfer of a Lot and Dwelling, a status letter advising of the current status of the Annual Maintenance Charges, Assessments or Other Assessment account, violation notices, and any other obligations or information the Board of Directors deems appropriate may be furnished. All Lot Owners/Members do hereby expressly consent and agree to the furnishing and disclosing such information.

(f) In the event of any sale or transfer of a beneficial interest in a Unit, the Lot Owner/Member shall disclose to all purchasers and transferees all terms and conditions of any and all accommodations, modifications, waivers and obligations to remove and restore the premises appertaining and furnish an acknowledgment of same.

Section 19. Civility. In keeping with the high standards of the private residential Community it is expected and required that at all times Lot Owners/Members, residents, or visitors to the Community are prohibited and shall not engage in any threatening, oppressive, intimidating, aggressive, profane, annoying or otherwise harassing or hostile activities or behavior (either verbal or physical) towards other Lot Owners/Members, residents, and their families and members of their household and Board Members, agents, guests, invitees and vendors of the Community. Such conduct shall be subject to all relief and remedies as set forth in the Community Documents pertaining to violations of the Community Documents.

Section 20. Drones (Unmanned Aircraft Systems – U.A.S.)

(a) Must register the aircraft with the Association per the Rules and Regulations.

(b) Operate the aircraft not less than 50 feet nor more than 400 feet vertically from any Lot or Common Elements.

(c) Operate the aircraft not less than 25 feet horizontally from any Unit.

(d) Ownership and operation of all aircraft shall comply with State and Federal Laws and Regulations.

(e) Commercial Drones are prohibited.

(f) Size and weight limits shall be established by the Board of Directors in the Rules and Regulations.

(g) Operation and flight of the aircraft is restricted to daylight hours between: 1 hour after sunrise and 1 hour before sunset.

(h) Take-off and landing areas for all aircraft is restricted to Lot area – such as drives.

(i) Minors under 18 must be accompanied by an adult in the use and operation of Drones in the Community.

(j) The Association assumes no responsibility or liability for use or operation of Drones. And the owners of all such aircraft and the Lot Owners/Members or Non-Owner Occupants who allow or permit the operation and flight of such aircraft shall indemnify and hold the Association harmless from any and all costs, expenses and liabilities.

(k) The Board of Directors may further address the subject in Rules and Regulations for such uses that the Board determines appropriate (e.g. without limitation – Dwelling conditions inspections or sales/advertising.)

Section 21. Non-Discrimination and Fair Housing Compliance.

(a) It is the Association's policy that this Association and its Board of Directors, Officers, and Volunteers neither participates in conduct that constitutes or violates Civil Rights and unlawful housing discrimination based upon race, color, national origin, age, sex, sexual orientation, gender identity, religion, disability, familial status [including children under the ages of eighteen (18) living with parents or legal custodians, pregnant women, and people securing custody of children under the age of eighteen (18)], height, weight, familial and marital status; nor do same enforce any of the provisions in the Community Documents in such a manner that would violate the Federal Fair Housing Act and Michigan Civil Rights Acts, Local Ordinances and their protections against discriminatory conduct and any Amendments to any of the foregoing. The Association makes reasonable accommodations in its policies and procedures and permits reasonable modifications of the Community premises where necessary or appropriate to comply with Federal Fair Housing and State Laws and Local Ordinances.

(b) Neither the Association nor its Board Members, Officers or Volunteers shall be liable to any person or entity for allegations regarding discrimination, Fair Housing or similar Laws, Regulations or Ordinances unless there exists active participation on the part of the Association, Board Members, Officers and Volunteers who or it failed to take action and they knew or reasonably should have known of such discriminatory conduct and where the Association had the means and power to take action and any action taken would not constitute an undue financial and administrative burden, nor be contrary to their express powers, or the reasonable exercise of Board Members and Officers' determination pursuant to the Business Judgment Rule.

(c) All leases, rental and occupancy agreements and arrangements and land contracts shall provide, mandate, or be interpreted to require compliance with all of the Community Documents including but not limited to, Sections 20 and 22 hereof.

Section 22. Association Exemption. Except as otherwise stated none of the restrictions in this Article or any other provisions of the Condominium Documents shall apply to the actions of the Association in furtherance of its powers and purposes pursuant to the provisions of the Community Documents.

Section 23. Social Media/Webpage. The Board of Directors may create, establish or utilize social media accounts or webpages for all purposes regarding promoting, governing, or otherwise administering the affairs of the Community. The Board of Directors has authority to regulate any Community social media or website as provided in the Rules and Regulations. The Board of Directors shall have the right but not the obligation to monitor and censor offensive, defamatory and obscene media or postings in accordance with Community Rules and Regulations, Federal and State Laws and Ordinances and Regulations.

Section 24. Association Approval/Revocation. Any and all approvals (absent recording) pursuant to the Community Documents are in the nature of a license which is revocable and subject to withdrawal upon 30 days written notice by the Board of Directors in the event the Board of Directors determines there has been or reasonably likely will be noncompliance with terms and conditions of the approval granted by the Board of Directors.

## **ARTICLE XII**

### **MORTGAGES**

Section 1. Mortgages of Lot. Any Lot Owner/Member who mortgages a Lot 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 Lots."

Section 2. Insurance. The Association may, upon receipt of written request, notify each first mortgagee of record appearing in the Book of mortgages of Lots of the name of the company insuring the Community through the Association's master policy.

Section 3. Meetings. Upon prior written request submitted to the Association, any institutional holder of a first mortgage of record on any Lot in the Community shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend the meeting.

Section 4. Mortgage Default. The failure of a Lot Owner/Member to pay or comply with the terms and conditions of any mortgage on their Community Lot shall also constitute a default of the Community Documents. The Association shall have the right but not the obligation to take any action with reference to such Lot Owners/Members default as to the mortgage and/or taxes or other liens which are in the best interests of the Association.

Section 5. Mortgagee Notice. Mortgagees shall be obligated to give notice to the Association of any foreclosure, forbearance, deed in lieu or other "workout arrangement."

## **ARTICLE XIII**

### **COMPLIANCE**

The Association and all present or future Lot Owners/Members, lessees, tenants, Non-Owner Occupants, and contract purchasers, licensees, contractors, invitees, guests or family or household members or any other persons acquiring an interest in, entering upon, or using the facilities of the Community in any manner are subject to and shall comply with the Community Documents, and the mere acquisition, occupancy, lease or rental of any Lot or acquisition of any interest in a Lot, or the use of, or entry upon, the Community Premises signifies that the Community Documents are accepted and ratified. All of the terms, conditions and provisions of the Community Documents shall be deemed to be Covenants running with the land.

Section 2. These Bylaws may be amended in accordance with Article XV herein.

**ARTICLE XIV**  
**REMEDIES FOR DEFAULT**

Section 1. Definition in addition to Article I, Section 15. The term “default” may include by way of illustration without intent of limitation, any acts of omission or commission under the Community Documents or the failure to comply with the Community Documents or failure to pay mortgages, taxes, insurance or any other obligation or incur liens or forfeitures which impacts or jeopardizes the health, safety, welfare, financial interest, or aesthetics of the residential Community. Such default shall entitle the Association to an action for damages or any other relief or remedy as set forth in the Community Documents without being deemed an election of remedies.

Section 2. Relief. Any default by a mortgagee, Lot Owner/Member, Non-Owner Occupant, family and household members, guests, licensees, invitees, contractors, subcontractors, or vendees shall entitle the Association or another Lot Owner/Member or Lot Owners/Members to the following relief:

(a) Failure to comply with any of the terms and provisions of the Community Documents or written Board directives, including any of the Rules and Regulations shall be grounds for injunctive or other relief, which may include appointment of a receiver, an action to recover sums due for damages, foreclosure of lien, or other amounts due as provided by the Community Documents or any combination. Relief may be sought by the Association, or if appropriate, by any aggrieved Lot Owner/Member or Lot Owners/Members. The Board of Directors may also impose any administrative remedies including by way of illustration without intent of limitation levy of fines, late charges, denial of access to any Community facilities (if applicable), amenities or websites or other electronic media communication and denial of vote.

(b) (i) In the event of a default of the Community Documents by a Lot Owner/Member or Non-Owner Occupant, resident or guest, licensees, invitees, contractors or others claiming any right of interest through a Lot Owner/Member, the Association shall be entitled to recover from the Lot Owner/Member and Non-Owner Occupant resident or guests the pre- and post-litigation (including any Appellate action) costs and actual Attorney and other Professional or Contractor fees, costs, expenses incurred in obtaining compliance with the Community Documents, as well as actual litigation costs, including actual Attorney, other Professional and Contractor fees, costs and expenses.\* No Lot Owner/Member shall be entitled for any reason to reimbursement of the Lot Owner/Members litigation or pre-litigation (or Appellate action) Attorney, Professional and Contractor fees, costs and expenses, unless such reimbursement results from the application of the Michigan Court Rules or Statute, or Administrative Rules.

\*This applies to any investigation, proceeding or action, including without limitation civil, administrative or criminal.

(ii) If a Lot Owner/Member files or participates in an action against the Association or arbitration or administrative, civil rights, or any other proceedings who are found not entitled to prevail or remedy requested or frivolous action by the Court, tribunal or agency, arbitration, mediator or other means of dispute resolution, then the Lot Owner/Member shall be responsible to reimburse the Association for its actual costs, expenses and Attorney, Professional and Contractor fees incurred in prosecution, defense, participation or enforcement of the Community Documents.

(iii) In the event of any proceeding (civil, criminal or administrative) where a Court or arbitrator, mediator, facilitator or case evaluator or other Alternative Dispute Resolution forum finds that:

(1) A party's claim or defense had an improper purpose or the primary purpose to harass, embarrass or injure the other party; or was interposed to cause unnecessary delay or needless increase in the cost of litigation or expenses for the Association; or

(2) A party's claim or defense had no reasonable basis upon which to believe the underlying facts were true; or

(3) A party's claim or defense is devoid of arguable legal merit.

Then the Court or dispute resolution forum shall award Attorney's and other Professional's and Contractor fees, and costs, and reimbursement of expenses incurred in the prosecution or defense of any claim.

(c) The violation of any of the provisions of the Community Documents, (including the Rules and Regulations or administrative orders) shall also give the Board of Directors, or its duly authorized agents, the right, in addition to the above rights, to enter upon the Common Areas or into any Lot, where reasonably necessary, and summarily remove and abate, at the expense of the Lot Owner/Member in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Community Documents. The Association shall have no liability to any Lot Owner/Member arising out of the exercise of its removal and abatement power. All such chargeable costs and expenses shall be collected as provided in Article VI of these Amended and Restated Bylaws which survives occupancy or ownership of any Lot.

(d) The violation of any of the provisions of the Community Documents by any Lot Owner/Member or Non-Owner Occupant shall be grounds for Assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations in accordance with Article XV of these Amended and Restated Bylaws. Fines may be assessed only upon notice to the offending Lot Owners/Members and an opportunity for such Lot Owner/Member to appear before and/or respond to 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 VI of these Amended and Restated Bylaws.

Section 3. Non-Waiver. The failure of the Association or of any Lot Owner/Member to enforce any right, provision, covenant or condition which may be granted by the Community Documents shall not constitute a waiver of right of the Association or of any such Lot Owner/Member to enforce such right, provision, covenant or condition in the future.

Section 4. Cumulative Remedies. All rights, remedies and privileges granted to the Association or any Lot Owner/Member or Lot Owners/Members by the Community Documents or the laws of Michigan shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the right from exercising such other and additional rights, remedies or privileges as may be available at law or in equity.



Section 5. Association Recovery for Costs, Fees and Expenses. To the extent the Association prevails in any civil, criminal, arbitrated or administrative proceeding or claim whether by way of prosecution or defense of any claim, counter or cross or third party claim, (or any Appellate proceedings) the Association shall be entitled to recovery of costs, expenses and Attorney's, Professional's and Contractor's fees. In no circumstance shall any Lot Owner/Member be entitled to recovery of Attorney's, Professional's and Contractor's fees, costs and expenses.

Section 6. Limitation of Actions.

(a) An action against a Director or Officer for failure to perform the duties imposed under this section shall be commenced within three (3) years after the cause of action has accrued, or within two (2) years after the time when the cause of action is discovered or should reasonably have been discovered, by the complainant, whichever occurs first. Directors and Officers conduct shall be evaluated by the Business Judgment Rule.

(b) In the event of any action by and between any Lot Owner/Members and Non-Owner Occupants, in the enforcement or declaratory or other relief pertaining to the Community Documents, the prevailing party shall be entitled to recovery of reasonable costs and Attorney or other Professional or Contractor fees and expenses as may be determined by the Court or other presiding arbiter in such action; provided, however, that in no event that absent any Statute or Court Rule shall any Lot Owner/Member or Non-Owner Occupant be awarded or recover such Attorneys or other Professional or Contractor fees, costs and expenses against the Association.

The Association may (but without obligation) take such action as it deems reasonable, necessary and appropriate in the best interests of the Association to be involved in or participate in any such action; provided, however, the Association shall have no obligation to collect or enforce any Judicial or Administrative Orders, decisions or awards in any such action unless deemed reasonable, necessary and appropriate in the best interests of the Association. All costs, expenses, Attorneys or other Professionals' or Contractor fees, costs, expenses incurred or paid by the Association in any form of inclusion or participation shall be recoverable against the party or parties involved.

Section 7. Grandfathering Provisions. The Board of Directors shall have the authority to set and establish grandfather and sunset provisions as to any terms, conditions, or circumstances it deems appropriate in the administration of affairs of the Community.

## **ARTICLE XV**

### **FINES**

Section 1. Basis. The violation by any mortgagee, Lot Owner/Member, Non-Owner Occupant, their guests, licensees, invitees, agents, contractors or family or household member, of any of the provisions of the Community Documents including any Rules and Regulations or directives of the Board of Directors is grounds for Assessment of monetary fines, costs, expenses or administrative charges against the involved mortgagee or Lot Owner/Member or Non-Owner Occupant as determined by the Board of Directors. They are responsible for the violation whether the violation occurs as a result of their personal actions or omissions or the actions of their family or household members, guests, licensees, invitees, contractors, subcontractors or Non-Owner Occupants or any other person or entity claiming any interest or right through them to be upon the Community Premises.

Section 2. Procedure. When a violation is alleged, the following procedures will be followed:

(a) Notice of the violation must be sent or personally delivered to the mortgagee or Designated Voting Representative (and if deemed by the Board of Directors applicable, the Non-Owner Occupants.) The notice must include the Community Document provision violated and a specific description of the factual nature of the alleged offense to place the party on notice of the violation.

(b) The offending party has an opportunity to appear before the Board of Directors and offer evidence in defense of the alleged violation. The appearance before the Board may be at a scheduled meeting, but in no event shall the appearance be required to appear less than seven (7) days from the date of any notice. The hearing can be open but only if both the Board and Lot Owner/Member agrees.

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

(d) After the party appears before the Board and presents evidence of defense, or if the party fails to respond, the Board will, by majority vote of a quorum of the Board, decide if a violation has occurred. The Board's decision is final.

(e) Further procedures may be set forth in the Rules and Regulations.

Section 3. Fines. Following a violation of any of the provisions of the Community Documents and after either default of the offending party or the decision of the Board as recited above, the following fines will be levied and subject to the provision herein:

(a) **First Violation.** No fine/[warning letter]

(b) **Second Violation.** Minimum \$100.00 fine.

(c) **Third Violation.** Minimum \$200.00 fine.

(d) **Subsequent Violations** will be subject to a fine in the amount to be determined in the discretion of the Board of Directors based upon the nature and character of the violation and as set forth in the Rules and Regulations.

(e) Further procedures may be set forth in the Rules and Regulations.

(f) Provided violations cured and fines paid the schedule of violations and fines shall restart each 18 months from the first Violation.

Section 4. Payment. The fines levied are assessed to the Lot Owner/Member and due and payable as the Board of Directors otherwise directs. Failure to pay the fine will subject the Lot Owner/Member to all remedies provided in the Community Documents.

Section 5. Revised Fines. The Board of Directors has the authority in its discretion to change the amount of the fine stated in Section 3 on 30 days written notice to all Lots in accord with the Rules and Regulations.

Section 6. Category. The Board may establish whether fines accrue per violation or per category or subject matter as set forth in the Rules and Regulations.

Section 7. Waiver. The Board of Directors shall have the authority to waive or suspend any fines or penalties in any manner under such terms and conditions it deems appropriate and in the best interest of the Community in its administration of affairs including by way of example without interest of limitation, waiver of fines if the violation is cured before any hearing date. If any violation is cured or corrected prior to any scheduled violation hearing, upon submission of proof thereof, the hearing shall be cancelled and any fine which may have been levied will be waived and will not count toward the graduated fine schedule.

Section 8. The gradation of fines and time period of performance required shall be set forth in the Notice of Violation by the Board of Directors.

## **ARTICLE XVI**

### **AMENDMENTS**

Section 1. Amendment. The Bylaws may be amended with the prior consent of seventy (70%) percent of the qualified and eligible Lot Owners/Members in number.

(a) Persons, other than the Association's Board of Directors, causing or requesting an amendment to the Community Documents are responsible for the costs and expenses of the amendment. The costs for amendments based upon a vote of the prescribed majority of Lot Owners/Members are borne by the Association. Costs of amendments proposed by the Board of Directors are expenses of administration.

(b) The Association, acting through its Board of Directors, reserves the right to amend the Community Documents without the consent of Lot Owners/Members or mortgagees for all purposes deemed reasonable and necessary to effectuate the intent of the Community Documents, where such amendments do not materially alter or change the rights of Lot Owners/Members or mortgagees.

(c) In the event of a consolidation of any Lots or relocations of boundaries at the determination of the Board of Directors, an amendment to the Subdivision Plan and any other terms or conditions shall be prepared and recorded reflecting such consolidation of Lots or relocation of boundaries and such other terms and conditions. Also, the Community Documents shall be amended to reflect the increase or decrease of Assessments obligations and voting strength. Such amendments shall be at the chargeable cost and expense (including any Attorney or other Professional fees or Contractor fees) of the Lot Owners/Members requesting such consolidation or boundary relocation.

(d) Lot Owners/Members and mortgagees of record shall be notified of proposed amendments, under subparagraph (b) above, not less than 10 days before the amendment is recorded.

Section 2. Provide Copies. A copy of each amendment to these Bylaws shall be furnished to every Lot in the Community Association after recordation. Any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Community irrespective of whether such persons actually receive a copy of the amendment.

Section 3. Termination, Vacation, Revocation or Abandonment. The Community Project may not be terminated, vacated, revoked or abandoned without the written consent of 80% of the Lot Owners/Members and their first mortgagees.

Section 4. Effective Date. Any amendment of these Amended and Restated Community Bylaws is effective on the date of recording in the office of the Oakland County Register of Deeds.

Section 5. Lot #1. An exception to the Restrictions on types of fences was previously approved for Lot #1, however all other requirements of the Community Documents still apply.

**ARTICLE XVII**  
**SEVERABILITY**

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

**ARTICLE XVIII**  
**DEFINITIONS AND CAPTIONS**

A. All terms used in these Bylaws have the meaning as stated in Article I of these Community Bylaws.

B. All captions to each Section or Subsection are for convenience purposes and not intended to limit or alter the meaning or terms and substance set forth in the paragraph, section, or subsections.

C. Any reference made to one gender includes any and all genders where appropriate; similarly, any reference to the singular includes the plural where appropriate.

DATED: \_\_\_\_\_, 2021      CARLETON PLACE SUBDIVISION ASSOCIATION

BY: \_\_\_\_\_

PRESIDENT OF THE BOARD OF DIRECTORS

STATE OF MICHIGAN                    )  
  )ss.  
COUNTY OF MACOMB                )

On this \_\_\_\_ day of \_\_\_\_\_, 2021, the foregoing instrument was acknowledged before me by \_\_\_\_\_, President of Carleton Place Subdivision, who attested that this document received the approval of two-thirds of the Lot Owners/Members of Carleton Place Subdivision.

\_\_\_\_\_  
Notary Public  
\_\_\_\_\_  
County, Michigan  
My Commission Expires: \_\_\_\_\_  
Acting in the County of \_\_\_\_\_

**Drafted by and when recorded, return to drafter:**

Zelmanski, Danner & Fioritto, PLLC

Richard L. Wagner, Jr. (P26344)

75 N. Main Street, Suite 300

Mount Clemens, MI 48043

(586) 465-1330