- (6) The Association may charge Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II if the Board determines such assessment necessary to defray the maintenance costs to the Association of accommodating animals within the Condominium.
- (7) All animals kept in accordance with this Section shall be licensed by the municipal agency having jurisdiction, and proof of the animal's shots shall be provided to the Association upon request.
- C. <u>Association Remedies</u>. The Association may, after notice and hearing and without liability, remove or cause to be removed any animal from the Condominium that the Board determines to be in violation of the restrictions imposed by this Section or by any applicable Association rules and regulations. The Board may also assess fines for any such violations. The Board may adopt such additional reasonable rules and regulations with respect to animals, as it may deem proper.
- Section 6. Use of Common Elements. Co-owners and other users of the Condominium shall not use the Common Elements for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the Condominium Documents. Trash receptacles shall be maintained in Board-designated areas and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. Trash shall be stored and handled in accordance with all applicable Association rules and regulations and City of Bloomfield Hills ordinances and Co-owners shall be responsible for the collection and proper disposal of trash (or the Association's costs collecting and disposing of such trash) dispersed about the Common Elements, regardless of the reason. The Common Elements shall not be used for the drying or airing of clothing or other fabrics. In general, no activity shall be carried on nor condition maintained either in their Unit or upon the Common Elements that detracts from or spoils the Condominium appearance. No unsightly condition shall be maintained on or in any patio, balcony or porch, and only furniture and equipment consistent with ordinary patio, balcony or porch use shall be permitted to remain on these areas. All municipal ordinances pertaining to the use of the Common Elements must be followed.
- Section 7. Obstruction of Common Elements. Except as otherwise expressly permitted in the Condominium Documents, the Common Elements, including, without limitation, roads and sidewalks, shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. Except as otherwise expressly permitted in the Condominium Documents, no bicycles, toys, baby carriages or other personal property may be left unattended on or about the Common Elements; provided, however, that furniture and equipment consistent with ordinary porch use may be placed on porches.

### Section 8. <u>Vehicles upon the Condominium.</u>

A. <u>Permitted Vehicles in General</u>. Except as otherwise provided in this Section or in the Association's Rules and Regulations, only currently licensed automobiles, motorcycles (if not objectionable due to excessive noise or irresponsible operation), non-commercial pickup trucks, SUVs, and passenger vans not exceeding 21 feet in overall length, which are used as an occupant's primary means of transportation and not for any commercial purposes, may be parked in the

Condominium. Unless parked fully in a Unit garage with the door closed or except as otherwise provided in this Section, no house trailers, commercial vehicles (as defined in subsection C below), boat trailers, watercraft, boats, motor homes, camping vehicles, camping trailers, trailers, snowmobiles, snowmobile trailers, recreational vehicles, non-motorized vehicles, off-road vehicles or all-terrain vehicles shall be parked or stored in the Condominium. No Co-owner shall use or permit the use by an occupant, agent, employee, invitee or guest of the Unit, any casual motorized transportation anywhere within the Condominium, including, but not limited to, motorized scooters, mopeds, go-carts, dirt bikes and the like.

- B. <u>Temporary Presence</u>. The Board of Directors has the discretion to issue rules and regulations that provide for the temporary presence of the above enumerated recreational/leisure vehicles upon the Condominium for purposes such as loading and unloading. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of or to designate a parking area for such vehicles.
- Commercial Vehicles. Commercial vehicles shall not be parked in or about the Condominium (except as above provided) unless parked in an area specifically designated for such vehicles or trucks by the Board, or while making deliveries or pickups in the normal course of business. For purposes of this Section, commercial vehicles shall include vehicles or trucks with a curb weight of more than 10,000 pounds, overall length in excess of 21 feet, or with more than two axles, vehicles with commercial license plates, vehicles with any commercial markings or advertising appearing on the exterior, vehicles not designed or intended for personal transportation, or any vehicle either modified or equipped with attachments, equipment or implements of a commercial trade, including, but not limited to, ladder or material racks, snow blades, tanks, spreaders, storage bins or containers, vises, commercial towing equipment or similar items. For purposes of this Section, passenger vans, SUVs and pickup trucks, used for primary transportation and not for commercial purposes shall not be considered commercial vehicles provided they do not meet the definition of a commercial vehicle contained in this Section. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of such vehicles or to designate an area for parking such vehicles.
- D. <u>Standing Vehicles, Repairs</u>. Nonoperational vehicles or vehicles with expired license plates shall not be parked on the Condominium, without written permission of the Board of Directors. Nonemergency maintenance or repair of vehicles shall not be permitted on the Condominium, unless specifically approved by the Board of Directors.
- E. <u>Parking Restrictions</u>. Co-owners and non-Co-owner Unit occupants must park their vehicles first in their Unit garage. Garages shall be utilized in a fashion so that the number of vehicles that may be parked in the garage equals the designed or intended capacity of that garage. Overnight parking on any roads within the Condominium is prohibited unless specifically approved by the Board of Directors. No parking of any vehicles whatsoever shall be allowed in any designated fire lanes or in violation of duly promulgated rules and regulations of the Association.
- F. <u>Association Rights</u>. Subject to Section 252k of the Michigan Vehicle Code (MCL §257.252k), the Board may cause vehicles parked or stored in violation of this Section, or of any applicable Association rules and regulations, to be stickered and towed from the Condominium, and

the cost of such removal may be assessed to, and collected from, the Co-owner of the Unit responsible for the presence of the vehicle in the manner provided in Article II of these Amended and Restated Bylaws. In such cases, the Co-owner shall be responsible for costs incurred in having a towing company respond, even if the vehicle is moved and properly parked before the towing contractor arrives at the Condominium. The Board of Directors may promulgate reasonable rules and regulations governing the parking and use of vehicles in the Condominium.

Section 9. <u>Prohibition of Dangerous Items upon the Condominium</u>. Except as otherwise set forth in the Association's rules and regulations as are published from time to time or as otherwise approved by the Board in writing, no Co-owner shall use, or permit the use by an occupant, agent, employee, invitee, guest or member of their family, any drones, firearms, air rifles, pellet guns, BB guns, bows and arrows, fireworks, slingshots or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium, nor shall any Co-owner use or permit to be brought onto the Condominium any unusually volatile liquids or materials deemed to be extra hazardous to life, limb, or property.

Section 10. Signs. Except for a U.S. flag no larger than 3' x 5', no flags, notices, advertisements, pennants or signs, including "for sale" and "open house" signs, shall be displayed which are visible from the exterior of a Unit without written permission from the Association, unless the same are in complete conformance with duly adopted Association rules and regulations.

Section 11. Rules and Regulations Consistent with Act. The Board may make and amend from time to time reasonable rules and regulations consistent with the Condominium Act, the Amended and Restated Master Deed, and these Bylaws, concerning the use of the Common Elements or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium or the manner of the Association's or Condominium's operation. The Association shall furnish to all Co-owners all such regulations and any amendments to the regulations and such regulations shall become effective. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all Co-owners in good standing.

Association Access to Units and Common Elements. The Association or its duly Section 12. authorized agents shall have access to each Unit and any Common Elements from time to time, during reasonable working hours, upon notice to the Co-owner, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and Common Elements at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. Each Co-owner shall provide the Association means of access to their Unit and any Common Elements during all periods of absence and in the event the Co-owner fails to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances, including removing any obstructions or materials that restrict such access, and shall not be liable to such Co-owner for any damage to their Unit or any Common Elements caused in gaining such access, or for repairing, replacing or reinstalling any removed obstructions or materials in gaining such access. No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meters or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will

have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation has been approved in accordance with the Condominium Documents, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access.

Section 13. Landscaping and Decoration of Common Elements. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials, including but not limited to statuary, bird feeders, exterior lighting, furniture, implements, rocks or boulders, fencing or other decorative items upon the Common Elements, Limited or General, unless the same is in total conformance with the Association's rules and regulations on landscaping as are published from time to time or is otherwise approved by the Board in writing. Any landscaping approved by the Association shall be the responsibility of the Co-owner to maintain.

Section 14. Co-owner Maintenance of Unit and Common Elements. Each Co-owner shall maintain their Unit and any Common Elements for which they have maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall use due care to avoid damaging any of the Common Elements, including, but not limited to, the telephone, water, gas, plumbing, electrical, cable TV or other utility conduits and systems and any other Common Elements in any Unit which serve or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from damage to or misuse of the any of the Common Elements by them, or their family, guests, agents or invitees, or by casualties and occurrences, whether or not resulting from Coowner negligence, involving items or Common Elements which are the responsibility of the Co-owner to maintain, repair and replace, unless such damages or costs are covered by primary insurance carried by the Association, in which case there shall be no such responsibility unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount. Any costs or damages to the Association, including actual attorneys' fees, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II of these Amended and Restated Bylaws. Each Co-owner shall indemnify the Association against such damages and costs, including actual attorneys' fees, and all such costs or damages to the Association may be assessed to and collected from the responsible Coowner in the manner provided in Article II. The Co-owners have the responsibility to report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement as soon as it is discovered.

In order to minimize sound transmission between Unit levels, the Board may require Coowners to maintain carpet, rugs or other noise reduction material on up to seventy-five percent (75%) of the floor surfaces contained within Units hallways, living rooms and bedrooms (but not including kitchens and bathrooms), as the Board may deem necessary in its discretion.

Section 15. Window Treatments. The portion of window treatments visible from the exterior of a Unit must be white or off-white color unless the Board of Directors approves otherwise in writing.

Section 16. Application of Restrictions to the Association. None of the restrictions contained in this Article VI or elsewhere in the Condominium Documents shall apply to the

Association's activities in furtherance of its powers and purposes set forth in the Condominium Documents or the Condominium Act.

Section 17. Cost of Enforcing Documents. All costs, damages, fines, expenses or actual attorneys' fees incurred or levied by the Association in enforcing any of the provisions of the Condominium Documents against a Co-owner or their licensees or invitees, including without limitation the restrictions set forth in this Article VI, may be assessed to, secured by the statutory lien on the Unit and collected from the responsible Co-owner or Co-owners in the manner provided in Article II of these Amended and Restated Bylaws. This specifically includes actual costs and legal fees incurred by the Association in investigating and seeking legal advice concerning violations, and responding to and defending actions relating to violations in small claims court, or any other court of competent jurisdiction.

**Section 18.** Approvals Revocable. Any approval granted by the Board is a license. If a Co-owner is not in compliance with the conditions of any Board approval, the Board may revoke the approval upon thirty (30) days written notice.

### ARTICLE VII MORTGAGES

- **Section 1.** <u>Notification of Mortgage</u>. Any Co-owner who mortgages their Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units." The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit.
- Section 2. <u>Notification to Mortgagee of Insurance Company</u>. Upon written request submitted to the Association, the Association shall notify a mortgagee appearing in the Mortgages of Units book of the name of each company insuring the Common Elements against fire and perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.
- Section 3. <u>Notification to Mortgagee of Meetings</u>. Upon written request submitted to the Association, any institutional holder of a first mortgage lien on any Unit shall be entitled to receive written notification of every Association meeting and to designate a representative to attend such meeting.
- Section 4. Notification to Mortgagees and Guarantors. Upon written request submitted to the Association, any institutional holder of any mortgage or any guarantors of the mortgage covering any Unit shall be entitled to receive timely written notice of (i) any proposed action that requires the consent of a specified percentage of mortgagees, whether contained in the Amended and Restated Master Deed or these Bylaws, (ii) any delinquency in the payment of assessments or other charges by a Co-owner that is not cured within sixty (60) days, and (iii) any lapse, cancellation or material modification of any insurance policy maintained by the Association.

### ARTICLE VIII MEMBERSHIP AND VOTING

- Section 1. <u>Membership in Association</u>. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:
- A. <u>Designation of Members</u>. Each Co-owner shall be a member of the Association and no other person or entity shall be entitled to membership.
- B. <u>Co-owner's Share of the Funds</u>. A Co-owner's share in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to a Unit.
- C. <u>Co-owner Voting Designation</u>. Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Unit owned, provided that the Co-owner is in good standing. As used throughout the Condominium Documents, "good standing" means a Co-owner (or Director, as the case may be) who is current in all financial obligations owing to the Association and who is not in default of any of the provisions of the Condominium Documents. Voting shall be by number. In the case of any Unit owned jointly by more than one Co-owner, the voting rights associated with that Unit may be exercised only jointly as a single vote.
- D. <u>Evidence of Ownership for Voting Purposes</u>. No Co-owner shall be entitled to vote at any meeting of the Association until they have presented evidence of ownership of a Unit to the Association. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in subsection E below or by a proxy given by such individual representative.
- E. <u>Designation of Voting Representative</u>. Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. The notice shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, limited liability company, association, trust or other entity that is the Co-owner. The Co-owner shall sign and date such notice. The Co-owner may change the individual representative designated at any time by filing a new notice in the manner provided in this subsection. At any Association meeting the chairperson of the meeting may waive the filing of such written notice as a prerequisite to voting.
- F. Quorum. The presence in person or by proxy of 25% of the Co-owners in good standing shall constitute a quorum for holding a meeting of the members of the Association. The written vote of any person furnished at or prior to any duly called meeting at which meeting such person is not otherwise present in person or by proxy, or by such date as is established for voting in cases where no meeting is held, shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast. Any Co-owner who participates by remote communication in an Association meeting, as provided in Article IX, Section 5 below, shall also be counted in determining the necessary quorum.

- G. <u>Voting</u>. Votes may be cast in person, by proxy, in writing duly signed by the designated voting representative, or by any other means allowed by the voting procedures adopted by the Board of Directors for a given vote. The Board of Directors may permit the casting of votes by mail, fax, personal delivery, electronic transmission, or by other Board-approved means. Any proxies, written votes or other votes cast by permitted means must be filed with the Association's Secretary or the Association's management agent at or before the appointed time of the Association meeting or voting deadline if no meeting is held. As used in these Bylaws, "electronic transmission" means transmission by any method authorized by the person receiving such transmission and not directly involving the physical transmission of paper, which creates a record that the Association may retrieve and retain and that the Association may directly reproduce in paper through an automated process. Cumulative voting is not permitted.
- H. <u>Majority</u>. Unless otherwise provided, any action that could be authorized at an Association meeting or by written vote shall be authorized by the vote of a simple majority of those Co-owners in good standing.
- I. Action without Meeting. Any action that may be taken at an Association meeting (except for electing or removing Directors) may be taken without a meeting by written vote or ballot of the Co-owners. Written votes or ballots shall be solicited in the same manner as provided in these Bylaws for the giving of notice of Association meetings. Such solicitations shall specify: (1) the proposed action; (2) that the Co-owner can vote for or against any such proposed action; (3) the percentage of approvals necessary to approve the action; and (4) the time by which written votes must be received to be counted. Approval by written vote or ballot shall be constituted by receipt, within the time specified in the written vote or ballot, of a number of approvals that equals or exceeds the number of votes that would be required for approval if the action were taken at a meeting.
- Section 2. Records and Books of the Association. The Association shall keep detailed books of account showing all expenditures and receipts of administration, which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. The Association's books shall be maintained in accordance with Section 57 of the Condominium Act. The books, records, contracts, and financial statements concerning the administration and operation of the Condominium shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours and at mutually convenient times. The Association shall prepare and distribute to each Co-owner at least one (1) time a year a financial statement, the contents of which shall be defined by the Association and which may be distributed by electronic transmission given in any such manner authorized by the person entitled to receive the financial statement, provided that any Co-owner may receive a written financial statement The Association shall on an annual basis have its books, records and financial statements independently audited or reviewed by a certified public accountant, as defined in Section 720 of the occupational code (MCL 339.720); provided, however, that the Association may opt out of such certified audit or review on an annual basis by an affirmative vote of a majority of the Coowners. Any audit or review shall be performed in accordance with the statements on auditing standards or the statements on standards for accounting and review services, respectively, of the American Institute of Certified Public Accountants. Any institutional holder of a first mortgage lien on any Unit shall be entitled to receive a copy of such annual financial statement within ninety (90) days following the end of the Association's fiscal year if requested in writing. The Association shall

also maintain on file current copies of the Amended and Restated Master Deed and any amendments to the Amended and Restated Master Deed and all other Condominium Documents.

## ARTICLE IX MEETINGS

- Section 1. Place of Meetings. Association meetings shall be held at any suitable place convenient to the Co-owners as the Board may designate. Association meetings shall be guided by Roberts Rules of Order or some other generally recognized manual of parliamentary procedure when not otherwise in conflict with the Articles of Incorporation, the Amended and Restated Master Deed or the laws of the State of Michigan. Only Co-owners in good standing may speak at Association meetings or address the Board or Co-owners at any such meetings. Any person in violation of this provision or the rules of order governing the meeting may be removed from such meeting, without any liability to the Association or its Board of Directors.
- Section 2. Annual Meetings. The Association shall hold its annual meeting in the month of June each succeeding year at such date, time and place as the Board of Directors determines. The Board of Directors may, acting by a majority vote, change the date of the annual meeting in any given year, provided that at least one such meeting is held in each calendar year. Written notice of each annual meeting, as well as any change in the date of the annual meeting, shall be given to all Coowners at least ten (10) days before the date for which the meeting is or was originally scheduled. At the annual meeting, there shall be elected by ballot or acclamation of the Co-owners a Board of Directors in accordance with the requirements of Article X of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.
- Section 3. Special Meetings. The President shall call a special meeting of the Co-owners as directed by Board resolution. The President shall also call a special meeting upon a petition presented to the Association's Secretary that is signed by one third  $(1/3^{rd})$  of those Co-owners in good standing. Notice of any special meeting shall state the time, place and purpose of such meeting. No business shall be transacted at a special meeting except as stated in the notice.
- Section 4. Notice of Meetings. The Secretary or other Board authorized person shall serve each Co-owner a notice of each annual or special meeting, stating the purpose as well as the time and place where it is to be held, at least ten (10) days, but not more than sixty (60) days, prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association pursuant to Article VIII, Section 1E of these Bylaws or to the address of the Unit owned by the Co-owner shall be deemed notice served. In lieu of the foregoing, such notice may also be given by electronic transmission, or hand delivered to a Unit if the Unit address is designated as the voting representative's address, and/or the Co-owner is a resident of the Unit. Any Co-owner may, by written waiver of notice signed by such Co-owner, waive such notice, and such waiver when filed in the Association's records shall be deemed due notice.
- Section 5. Remote Communication Attendance; Remote Communication Meetings. Coowners may participate in Association meetings by a conference telephone or by other means of remote communication through which all persons participating in the meeting may hear each other, if the Board determines to permit such participation and (a) the means of remote communication

permitted are included in the notice of the meeting or (b) if notice is waived or not required. All participants shall be advised of the means of remote communication in use and the names of the participants in the meeting shall be disclosed to all participants. Co-owners participating in a meeting by means of remote communication are considered present in person and may vote at such meeting if all of the following are met: (a) the Association implements reasonable measures to verify that each person considered present and permitted to vote at the meeting by means of remote communication is a Co-owner or proxy holder; (b) the Association implements reasonable measures to provide each Co-owner and proxy holder a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Co-owners, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with the proceedings; and (c) if any Co-owner or proxy holder votes or takes other action at the meeting by means of remote communication, the Association maintains a record of the vote or other action. A Co-owner may be present and vote at an adjourned Association meeting by means of remote communication in the original meetings notice given. The Board may hold an Association meeting conducted solely by means of remote communication.

Section 6. Adjournment for Lack of Quorum. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. The quorum for each subsequent meeting shall be reduced by one-half from the quorum requirement of the previously scheduled meeting.

Section 7. Minutes. The Association shall keep minutes or a similar record of the proceedings of all Association meetings and, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

# ARTICLE X BOARD OF DIRECTORS

Section 1. Qualification and Number of Directors. The affairs of the Association shall be governed by a Board of Directors all of whom must be Co-owners of Units in Barden Woods Condominium and in good standing. Any Director who is delinquent in any financial obligation owed to the Association, including late fees, shall pay in full the amount due within sixty (60) days of the delinquency. During the period of delinquency, the Director shall not be permitted to vote on any delinquency matter of another Co-owner, including matters that may affect the Director's own Unit. If the Director does not comply with the delinquency cure time period, and notwithstanding the provisions of Section 6 of this Article X, the Director shall be deemed removed from the Board of Directors for the remainder of the Director's term and the vacancy shall be filled in accordance with Section 5 of this Article X. The Board shall consist of six (6) members. Three (3) of the Board members shall be elected by the Co-owners of the Phase 1 Units (each a "Phase 1 Director"), and three (3) of the Board members shall be elected by the Co-owners of the Phase 2 Units (each a "Phase 2 Director"). No two occupants of the same Unit may serve on the Board of Directors at the same time. Directors shall serve without compensation.

- Section 2. Term of Directors. At the first annual meeting following adoption of these Bylaws, all Directors shall stand for election as a single slate. The two (2) Phase 1 Directors receiving the highest number of votes shall be elected for a term of two (2) years, and the one (1) Phase 1 Director receiving the next highest number of votes shall be elected for a term of one (1) year. The two (2) Phase 2 Directors receiving the highest number of votes shall be elected for a term of two (2) years, and the one (1) Phase 2 Director receiving the next highest number of votes shall be elected for a term of one (1) year. In each year thereafter, either two (2) Directors or one (1) Director from each of the Phases, as the case may be, shall be elected for two (2) year terms depending on how many directorships expire that year. All Directors shall hold office until their successors have been elected and hold their first meeting.
- Section 3. Powers and Duties. The Board of Directors has all powers and duties necessary for the administration of the Association's affairs and may do all acts and things as are not prohibited by the Condominium Documents or required to be exercised and done by the Co-owners. In addition to the foregoing general powers and duties imposed by these Bylaws, or any further powers and duties which may be imposed by law or the Articles of Incorporation, the Board of Directors has the following powers and duties:
- A. <u>Management and Administration</u>. To manage and administer the affairs of and maintenance of the Condominium and the Common Elements, all to the extent set forth in the Condominium Documents.
- B. <u>Collecting Assessments</u>. To collect assessments from the Co-owners and to use the proceeds for the purposes of the Association.
- C. <u>Insurance</u>. To carry insurance and collect and allocate the proceeds in the manner set forth in Article IV.
- D. <u>Rebuild Improvements</u>. To rebuild improvements after casualty in the manner set forth in Article V.
- E. <u>Contract and Employ Persons</u>. To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium.
- F. <u>Real or Personal Property</u>. To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit and any easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
- G. <u>Easements and Telecommunications</u>. To grant such easements, licenses and other rights of entry, use and access, and to enter into any contract or agreement, including wiring agreements, utility agreements, right of way agreements, access agreements, and to the extent allowed by law, contracts for sharing of any installation or periodic subscriber fees as may be necessary, convenient or desirable to provide for telecommunications, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Condominium or any Unit therein.

Notwithstanding the foregoing, the Board of Directors shall not have the authority to enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which would violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or any other company or entity in connection with such service, including fees, if any, for the privilege of installing same, or sharing periodic subscriber service fees, shall be receipts of administration, within the meaning of the Act, and shall be paid over to and shall be the property of the Association.

- H. <u>Borrow Money</u>. To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of at least a majority of the Phase 1 Co-owners and at least a majority of the Phase 2 Co-owners.
- I. <u>Assign Right to Future Income</u>. To assign its right to future income, including the right to receive Co-owner assessment payments.
- J. <u>Rules and Regulations</u>. To make rules and regulations in accordance with Article VI, Section 11 of these Bylaws.
- K. <u>Committees</u>. To establish such committees as it deems necessary, convenient or desirable and to appoint persons to such committees for implementing the administration of the Condominium and to delegate to such committees, or any specific Association Officers or Directors, any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.
  - L. <u>Enforce Documents</u>. To enforce the provisions of the Condominium Documents.
- M. <u>Administrator</u>. To do anything required of or permitted to the Association as administrator of the Condominium under the Condominium Documents.
- N. <u>General</u>. 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, repair, replacement and operation of the Condominium and the Association.
- Section 4. Professional Management. The Board of Directors may employ for the Association a professional management agent at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in this Article. The Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Co-owners. In no event shall the Board be authorized to enter into any contract with a professional management agent in which the maximum term is greater than three (3) years, or which is not terminable by the Association upon ninety (90) days' written notice to the other party.
- Section 5. <u>Vacancies</u>. Subject to the requirement that three (3) Directors be Co-owners of Units in Phase 1 and that three (3) Directors be Co-owners of Units in Phase 2, vacancies in the Board

of Directors caused by any reason other than the removal of a Director by a vote of the Co-owners shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so appointed shall be a Director until the end of the term of the Director who they replaced and a successor is elected at such annual meeting of the Association.

- Section 6. Removal of Directors. At any regular or special Association meeting duly called and held, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than fifty percent (50%) of the Co-owners of the particular Phase of the Condominium from which the Director(s) was elected, and a successor may then and there be elected by those Co-owners in the particular Phase to fill the vacancy thus created. The quorum requirement for the purpose of filling any vacancy shall be the normal 25% requirement set forth in Article VIII, Section 1F. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.
- Section 7. First Meeting of New Board. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place and time as shall be fixed by the Directors at the meeting at which such Directors were elected. No notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the entire Board is present at such a meeting.
- Section 8. Regular Meetings. Regular Board of Directors meetings may be held at such times and places as shall be determined from time to time by a majority of the Directors. At least two (2) such meetings shall be held during each fiscal year. Notice of regular Board meetings shall be given to each Director personally, or by mail, facsimile, telephone or electronic transmission at least 5 (five) days prior to the date of the meeting, unless waived by such Director.
- Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the president upon 3 (three) days' notice to each Director given personally, or by mail, facsimile, telephone or electronic transmission. The notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the president, secretary or other appropriate officer in like manner and on like notice on the written request of two Directors.
- Section 10. Waiver of Notice. Before or at any Board meeting, any Director may in writing or orally waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. A Director's attendance at a Board meeting shall be deemed that Director's waiver of notice. If all the Directors are present at any Board meeting, no notice shall be required and any business may be transacted at such meeting.
- Section 11. Quorum and Approved Actions. The presence of a majority of the Directors at a meeting shall constitute a quorum for the transaction of business relating to a Shared Expense, the Common Budget, or a Shared Area addition, modification, alteration, maintenance, repair, replacement or insurance item (collectively, a "Common Item"), and the acts of the majority of the Directors present at a meeting at which there is a quorum shall be the acts of the Board of Directors as it relates to a Common Item. In the event of a tie vote among the Board of Directors which relates to a Common Item, the tie-breaking vote shall be cast, on an alternative basis, by majority vote of the Phase 1 Directors or the Phase 2 Directors, as the case may be, in their reasonable discretion. The

presence of a majority of the Phase 1 Directors shall constitute a quorum for the transaction of business relating to a Phase 1 Expense, the Phase 1 Budget or a Phase 1 Unit or Common Element (but not including any Shared Areas) addition, modification, alteration, maintenance, repair, replacement or insurance item (collectively, a "Phase 1 Item"), and the acts of the majority of the Phase 1 Directors present at a meeting at which there is a quorum of Phase 1 Directors shall be the acts of the Board of Directors as it relates to a Phase 1 Item. The presence of a majority of the Phase 2 Directors shall constitute a quorum for the transaction of business relating to and any act pertaining to a Phase 2 Expense, the Phase 2 Budget, or a Phase 2 Unit or Common Element (but not including any Shared Areas) addition, modification, alteration, maintenance, repair, replacement or insurance item (collectively, a "Phase 2 Item"), and the acts of the majority of the Phase 2 Directors present at a meeting at which there is a quorum of Phase 2 Directors shall be the acts of the Board of Directors as it relates to a Phase 2 Item. A Director will be considered present and may vote on matters before the Board by remote communication, electronically or by any other method giving the remainder of the Board sufficient notice of the absent Director's vote and position on any given matter. If, at any Board meeting, 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 that might have been transacted at the meeting as originally called may be transacted without further notice. If a Director joins in the action of a meeting by signing and concurring in the minutes of that meeting, the Director shall be considered present for purposes of determining a quorum.

Section 12. Action without Meeting. Any action permitted to be taken by the Board of Directors at a meeting of the Board shall be valid in the absence of a meeting if consented to in writing, including by electronic transmission, by a majority of the Board of Directors. Further, the presiding Association officer, in exceptional cases requiring immediate action, may poll all Directors by phone for a vote, and provided the action is consented to by the requisite number of Directors, such vote shall constitute valid action by the Board. The results of any vote along with the issue voted upon pursuant to this Section shall be noted in the minutes of the next Board meeting to take place.

Section 13. Closing of Board of Director Meetings to Members; Privileged Minutes. The Board of Directors, in its discretion, may close a portion or all of any meeting of the Board of Directors to the Co-owners or may permit Co-owners to attend a portion or all of any meeting of the Board of Directors. Any Co-owner has the right to inspect, and make copies of, the minutes of the meetings of the Board of Directors; provided, however, that no Co-owner shall be entitled to review or copy any minutes of meetings of the Board of Directors to the extent that such minutes 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.

Section 14. Remote Communication Participation. Board members may participate in any meeting by means of conference telephone or other means of remote communication through which all persons participating in the meeting can communicate with the other participants. Participation in a meeting by such means constitutes presence in person at the meeting.

**Section 15.** <u>Fidelity Bond/Crime/Employee Dishonesty Insurance</u>. The Board of Directors shall obtain fidelity bond or equivalent employee dishonesty/crime coverage in the minimum amount of a sum equal to three months aggregate assessments on all Units plus reserve funds on hand. Such fidelity

bond or equivalent employee dishonesty/crime insurance covering all officers, directors, and employees of the Association and all other persons, including any management agent, handling or responsible for any monies received by or payable to the Association (it being understood that if the management agent or others cannot be added to the Association's coverage, they shall be responsible for obtaining the same type and amount of coverage on their own before handling any Association funds). The premiums for the foregoing shall be expenses of administration.

### ARTICLE XI OFFICERS

- Section 1. <u>Designation</u>. The principal Association officers are a president, vice president, secretary and treasurer. The Directors may appoint such other officers as may be necessary. Any two offices except that of president and vice president may be held by one person. The President must be a member of the Board of Directors.
- Section 2. <u>Appointment</u>. The officers of the Association shall be appointed annually by the Board of Directors and shall hold office at the pleasure of the Board. The position of President shall be appointed annually on an alternate basis between a Phase 1 Director and a Phase 2 Director.
- Section 3. Removal. The Board of Directors may remove any officer either with or without cause, and the successor to the removed officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.
- Section 4. President. The president shall be the Association's chief executive officer and shall preside at all Association and Board meetings. The president has all the general powers and duties which are usually vested in the office of the president of a nonprofit corporation including, but not limited to, the power to appoint committees from among the Co-owners from time to time in the president's reasonable discretion to assist in the conduct of the Association's affairs.
- Section 5. <u>Vice President</u>. The vice president shall take the place of the president and perform the president's duties whenever the president is absent or unable to act. If neither the president nor the vice president can act, the Board of Directors shall appoint some other Board member to so do on an interim basis. The vice president shall also perform such other duties as shall from time to time be imposed by the Board of Directors.
- Section 6. Secretary. The secretary shall keep the minutes of all Board and Association meetings, be responsible for maintaining a record of the minutes and of such books and other records as the Board of Directors may direct, and shall in general perform all duties incident to the office of the secretary.
- Section 7. Treasurer. The treasurer is responsible for keeping full and accurate accounts of all receipts and disbursements in the Association's books. The treasurer shall also be responsible for depositing all money and other valuable Association papers, in the name of and to the Association's credit, in such depositories that the Board may designate from time to time.

## ARTICLE XII FINANCES

- **Section 1.** Fiscal Year. The Association's fiscal year shall be an annual period commencing on such date as the Board may initially determine. The commencement date of the Association's fiscal year is subject to change by the Board of Directors for accounting reasons or other good cause.
- Section 2. <u>Banking and Investment of Funds</u>. Association funds shall be deposited in such bank or other depository as the Board may designate and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by Board resolution from time to time. Association funds shall only be held in accounts that are fully insured or backed by the full faith and credit of the United States Government. The Association may only utilize depositories or instruments where there is no risk of principal loss for investment of its monies.
- Section 3. <u>Co-owner's Share of Funds</u>. A Co-owner's share in the Association's funds and assets cannot be assigned, pledged or transferred in any manner except as a Unit appurtenance.

# ARTICLE XIII INDEMNIFICATION

- Section 1. Indemnification of Directors and Officers. The Association shall indemnify every Director, officer and volunteer of the Association against all expenses and liabilities, including reasonable attorney fees and amounts paid in settlement incurred by or imposed upon the Director, officer or volunteer in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, to which the Director, officer or volunteer may be a party or in which they may become by reason of their being or having been a Director, officer or volunteer of the Association, whether or not they are a Director, officer or volunteer at the time such expenses are incurred, so long as the person acted in good faith and in a manner that they reasonably believed to be in or not opposed to the Association's best interests and, with respect to any criminal action or proceeding, had reasonable cause to believe that their conduct was lawful; provided, however, that the Association shall not indemnify any such person with respect to any claim, issue, or matter as to which such person has been finally adjudged to be liable for gross negligence or misconduct in the performance of his duty to the Association unless and only to the extent that a court shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses as the court shall deem proper. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled. The Board of Directors shall notify all Co-owners of payment of any indemnification that it has approved at least ten (10) days before payment is made. indemnification rights of this Article shall always be construed to be consistent with those contained in the Association's Articles of Incorporation.
- Section 2. <u>Directors' and Officers' Insurance</u>. The Association shall provide liability insurance for every Director and every officer of the Association for the same purposes provided above in Section 1 and in such amounts as may reasonably insure against potential liability arising out of the performance of their respective duties. No Director or officer shall collect for the same expense

or liability under Section 1 above and under this Section 2; however, to the extent that the liability insurance provided to a Director or officer is inadequate to pay any expenses or liabilities otherwise properly indemnifiable under the terms of this Article, a Director or officer shall be reimbursed or indemnified only for such excess amounts under Section 1 above or other applicable statutory indemnification.

# ARTICLE XIV COMPLIANCE

- Section 1. <u>Compliance with Condominium Documents</u>. The Association and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the Condominium in any manner are subject to and shall comply with the provisions of the Act and the Condominium Documents. If the Amended and Restated Master Deed, these Bylaws, or Articles of Incorporation conflict with the provisions of any Statute, the Statute shall govern. If any provision of these Bylaws conflicts with any provision of the Amended and Restated Master Deed, the Amended and Restated Master Deed shall govern.
- **Section 2.** Amendment. These Bylaws may be amended in accordance with the Act and the provisions of Article VIII of the Amended and Restated Master Deed.
- **Section 3.** <u>Definitions</u>. All terms used in these Amended and Restated Bylaws shall have the same meaning as set forth in the Amended and Restated Master Deed, or as set forth in the Act.

#### ARTICLE XV REMEDIES FOR DEFAULT

- Section 1. <u>Default by a Co-owner</u>. Any Co-owner default shall entitle the Association or another Co-owner or Co-owners to the following relief:
- A. Remedies for Default by a Co-owner to Comply with the Documents. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination of the foregoing, and such relief may be sought by the Association, or, if appropriate, by an aggrieved Co-owner or Co-owners.
- B. <u>Costs Recoverable from Co-owner</u>. A Co-owner's, non-Co-owner occupant's or guest's failure to comply with the Condominium Documents shall entitle the Association to recover from such Co-owner or non-Co-owner resident or guest the pre-litigation costs and actual reasonable attorneys' fees incurred in obtaining their compliance with the Condominium Documents. In addition, in any proceeding arising because of an alleged default by any Co-owner, or in cases where the Association must defend an action brought by any Co-owner(s) or non-Co-owner residents or guests, and regardless if the claim is original or brought as a defense, a counterclaim, cross claim or otherwise, the Association, if successful, shall be entitled to recover from such Co-owner or non-Co-owner resident or guest pre-litigation costs, the costs of the proceeding and actual attorney's fees (not limited to statutory fees), incurred in defense of any claim or obtaining compliance or relief, but in no event shall any Co-owner be entitled to recover such attorney's fees or costs against the Association. The

Association, if successful, shall also be entitled to recoup the costs and attorneys' fees incurred in defending any claim, counterclaim or other matter.

- C. <u>Association's Right to Abate</u>. The violation of any of the provisions of the Condominium Documents shall give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements or into any Unit where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association has no liability to any Co-owner arising out of its exercise of its removal and abatement power.
- D. <u>Assessment of Fines</u>. The violation of any of the provisions of the Condominium Documents by any Co-owner or their licensees or invitees shall be grounds for assessment by the Association, acting through its Board of Directors, of monetary fines for such violations in accordance with Article XVI of these Bylaws.
- Section 2. Failure to Enforce Rights. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition that may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provisions, covenant or condition in the future.
- Section 3. <u>Cumulative Rights</u>. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.
- Section 4. Rights of Co-owners. A Co-owner may maintain an action against the Association to compel enforcement of the provisions of the Condominium Documents, and may maintain an action for injunctive relief or damages against any other Co-owner for noncompliance with the Condominium Documents. Even if successful, Co-owners may not recover attorney's fees from the Association, but may recover such fees from another Co-owner if successful in obtaining compliance with the Condominium Documents.

### ARTICLE XVI FINES

- Section 1. General. The violation by any Co-owner, occupant or guest of any of the provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of their personal actions or the actions of their family, guests, tenants or any other person admitted through such Co-owner to the Condominium.
- Section 2. Prior to imposing any fine, the Board will adhere to the following procedures:

- A. <u>Notice</u>. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, electronic transmission, or personally delivered to the representative of such Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Article VIII, Section 1E of these Bylaws.
- B. <u>Hearing and Decision</u>. The offending Co-owner shall be provided a scheduled hearing before the Board at which the Co-owner may offer evidence in defense of the alleged violation. Except as otherwise determined by the Board, the hearing before the Board may be at its next scheduled meeting, but in no event shall the Co-owner be required to appear less than 7 days from the date of the notice. Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or in the event the Co-owner fails to appear at the scheduled hearing, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

Section 3. Fines. Upon violation of any of the provisions of the Condominium Documents and upon the decision of the Board as recited above, the following fines may be levied:

FIRST VIOLATION

No fine will be levied unless the Board determines that the nature of the violation is such as to be best deterred if a fine is imposed for a first violation

SECOND VIOLATION

\$50.00 Fine

THIRD VIOLATION

\$100.00 Fine

FOURTH VIOLATION

\$150.00 Fine

AND ALL SUBSEQUENT VIOLATIONS

The Board of Directors may make changes in fine amounts or adopt alternative fines pursuant to Article VI, Section 11 of these Bylaws and without the necessity of amending these Bylaws. For purposes of this Section, the number of the violation (i.e. first, second etc.) is determined with respect to the number of times that a Co-owner violates the same provision of the Condominium Documents, as long as that Co-owner may be an owner of a Unit or occupant of the Condominium, and is not based upon time or violations of entirely different provisions. In the case of continuing violations, a new violation will be deemed to occur each successive week during which a violation continues or in such intervals as may be set forth in the Association's rules and regulations; however, no hearings other than the first hearing shall be required for successive violations if a violation has been found to exist. Nothing in this Article shall be construed as to prevent the Association from pursuing any other remedy under the Condominium Documents or the Condominium Act for such violations, or from combining a fine with any other remedy or requirement to redress any violation.

Section 4. <u>Collection of Fines</u>. The fines levied pursuant to this Article above shall be assessed against the Co-owner and shall be immediately due and payable. Failure to pay the fine will

subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitations, those described in Article II and Article XV of these Bylaws.

### ARTICLE XVII SEVERABILITY

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