

EXHIBIT A  
TO  
MASTER DEED

LIBER 730 PAGE 793

MEADOWBROOK CONDOMINIUMS

COMBINED CONDOMINIUM AND  
ASSOCIATION BYLAWS

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## MEADOWBROOK COMBINED CONDOMINIUM AND ASSOCIATION BYLAWS

ARTICLE I  
ASSOCIATION OF CO-OWNERS

**Section 1. Organization.** Meadowbrook, a residential site condominium project located in Bath Township, Clinton County, Michigan, shall be administered by a Michigan non-profit member corporation known as the Meadowbrook Condominiums Owners Association ("the Association"). This non-profit corporation has been organized under applicable Michigan law and shall be responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents, duly adopted rules and regulations of the Association, and applicable local and state law. These Bylaws are designed as the combined Bylaws and relate to both the general manner in which the Condominium and the common affairs of the Co-owners of the Condominium Units shall be administered and to the organization of the Association under the Michigan Non-profit Corporation Act. Any reference to "Bylaws", "Corporate Bylaws" or "Condominium Bylaws" shall be a reference to these Bylaws. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Condominium Unit or the Common Elements shall be subject to the provisions and terms set forth in the Condominium Documents, rules and regulations of the Association, and state and local law and ordinance.

**Section 2. Compliance.** All present and future Co-owners (who shall be "Members" of the Association as provided in Article I, Section 4(a), below; the terms "Member" and "Co-owner" are used interchangeably herein), Mortgagees, tenants and all other persons who may in any manner use, enter upon or acquire any interest in the Condominium Premises, or any Condominium Unit, shall be subject to and comply with the provisions of the Act, the Master Deed, these Condominium Bylaws, Articles of Incorporation, Association Bylaws, and Rules and Regulations of the Association including, without limitation, any provision thereof pertaining to the use and operation of the Condominium Premises and the Condominium. The acceptance of a deed or conveyance, the taking of a mortgage, the execution of a lease, the act of occupying a Unit, or presence in the Condominium shall constitute an acceptance of the provisions of the Condominium Documents, and an agreement to comply therewith.

**Section 3. Purpose of Bylaws.** These Bylaws shall govern the general operation, maintenance, administration, use and occupancy of the Condominium, and all such activities shall be performed in accordance with the provisions hereof.

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**Section 4. Membership and Voting.** Membership in the Association and voting by Members of the Association shall be in accordance with the following provisions:

(a) Each Co-owner, including the Developer, shall be a Member of the Association, and no other person or entity shall be entitled to membership. Each Member shall have one vote for each Unit owned.

(b) The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to a Unit in the Condominium.

(c) Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Unit owned when voting by number and one vote, the value of which shall equal the total of the percentages allocated to the Units owned by such Co-owner as set forth in the Master Deed in Article VI, Section B thereof, when voting by value. Voting shall be by number unless otherwise required by the Act or these documents. In the case of any Unit owned jointly by more than one Co-owner, the voting rights appurtenant to that Unit shall be exercised jointly as a single vote.

(d) No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until the Co-owner has presented evidence of ownership of a Unit in the Condominium to the Association. No Co-owner, other than the Developer, shall be entitled to vote prior to the First Annual Meeting of Members held in accordance with Section 8 of this Article, except as may be specifically provided otherwise. The vote of each Co-owner may be cast by the individual representative designated by such Co-owner in the notice required in subparagraph (e) below, or by an appropriate proxy given to such individual representative.

(e) 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. Such 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, association, trust or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner and shall be effective immediately after filing. Such notice may be revoked at any time by filing a new notice in the manner

herein provided. At any meeting, the filing of such written notice as a prerequisite to voting may be waived by the chairperson of the meeting.

(f) There shall be an annual meeting of the Members of the Association commencing with the First Annual Meeting held as provided in Sections 8 and 9 of this Article I. Other meetings may be held as provided for in the Bylaws. Notice of the time, place and subject matter of all meetings as provided in the Corporation Bylaws of the Association, shall be given to each Co-owner by mailing same to each individual representative designed by the respective Co-owners, not less than fifteen (15) days prior to the time designated for the meeting.

(g) The presence in person or by proxy of more than fifty (50%) percent in number of the Co-owners 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 said Person is not otherwise present in person or by proxy, shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

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

(i) Unless otherwise provided, any action which could be authorized at a meeting of the Members shall be authorized by an affirmative vote of more than fifty (50%) percent. The foregoing statement and any other provision of the Master Deed or these Bylaws which requires the approval of a majority (or other stated percentage) of the Members or Co-owners shall be construed to mean, unless otherwise specifically stated, a majority (or other stated percentage) in number (and not value) of the votes cast by those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the Members of the Association duly called and held.

**Section 5. Books and Records.** The Board of Directors of the Association shall keep detailed books of account showing all expenditures and receipts of the Condominium and its 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. All books, records and contracts of the Association shall be available for examination by any of the Co-owners and their Mortgagees during convenient times. All books and records shall be audited and reviewed at least annually by independent accountants; provided, however, that such audits need not be certified. The Association shall prepare and distribute to each Co-owner at least annually a financial statement, the contents of which shall be defined by the Association. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration of the Association.

The Association shall keep current copies of the Master Deed establishing the Condominium and all amendments to the Master Deed and all other Condominium Documents available for inspection at reasonable hours by Co-owners, prospective purchasers of Condominium Units, and existing and prospective Mortgagees of Condominium Units.

Section 6. Association Board of Directors, Membership, Powers and Duties. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation. Except as may be specifically provided otherwise for a husband and wife, only one of whom is a Co-owner/Member, and except for the First Board of Directors, directors must be Members of the Association. The First Board of Directors of the Association and any successors appointed prior to the First Annual Meeting of Members held pursuant to Section 8 of this Article, need not be Members. If a Member is a partnership, limited liability company ("llc") or corporation, then any partner, member of the llc, or officer, director or employee of the corporation shall be qualified to serve as a director of the Association. If a Member is a husband or wife and such Member's spouse is not shown on the deed or instrument of conveyance, either spouse shall be qualified to serve as a director.

(a) The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things necessary thereto, subject to the provisions of the Master Deed, these Bylaws, Articles of Incorporation and applicable law. In addition to the foregoing general duties, the Board of Directors shall be responsible specifically for the following:

- (1) To manage and administer the affairs of, and maintain the Condominium and the Common Elements thereof, including

maintenance, repair and replacement of Common Elements as deemed necessary.

(2) To collect assessments from the Members of the Association and to use the proceeds thereof for the purposes of the Association.

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

(4) To rebuild improvements after casualty; to make capital improvements as set forth subsequently in Article XI, Section 3.

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

(6) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium). Any such acquisition, purchase, sale, conveyance, assignment or mortgage shall require the approval of a majority of the Members.

(7) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the Association and to secure such indebtedness by mortgage, pledge or other lien on property owned by the Association. Any such borrowing that would impose a lien or mortgage on property owned by the Association requires the approval of a majority of the Members.

(8) To make rules and regulations in accordance with these Bylaws.

(9) To establish such committees as it deems necessary, convenient or desirable, and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities; specifically included in the right to establish such committees, is the right to establish or continue the operation of the Design Committee as that committee is defined

in Article IV(o) of the Master Deed, and as the functions of the committee are more specifically set forth in Article XV of this document.

(10) To make all reasonable policies, rules and regulations to implement the powers granted to the Association by the Condominium Documents or to facilitate the obtaining of mortgage financing for Co-owners acceptable to financial institutions, governmental agencies and any requirements of the United States Department of Housing and Urban Development.

(11) To enforce the provisions of the Master Deed, these Bylaws, reasonable rules and regulations and the Articles of Incorporation.

(b) The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity affiliated with the Developer) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 6 (a) of this Article I; and the Board may delegate to such management agent any other duties or powers. In the event that the Board does employ a professional management agent for the Association, the Board shall secure the written approval of each institutional holder of a first mortgage lien on any Unit in the Condominium prior to terminating the professional management agent and assuming self-management. In no event may the Board enter into any contract for management, the maximum term of which is greater than two (2) years. In addition to the foregoing, any contract for management or other services by and between the Association and the Developer or any affiliate of the Developer shall provide that such contract is voidable by the Board of Directors of the Association on the Transitional Control Date (as defined in the Master Deed) or within ninety (90) days thereafter, and on thirty (30) days' notice at anytime thereafter for cause. To the extent any management contract extends beyond (1) year after the Transitional Control Date, the excess period under the contract may be voided by the Board of Directors of the Association by notice to the management agent at least thirty (30) days before the expiration of the one (1) year period.

(c) All of the actions (including, without limitation, the adoption of these Bylaws and any rules

and regulations for the Association, and any undertakings or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association named in its Articles of Incorporation, or any successors thereto appointed before the First Annual Meeting of Members, shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Members of the Association at the first or any subsequent annual meeting of Members, provided that such actions are consistent with the powers and duties of the Board of Directors described in these Bylaws, the Master Deed, and any other document establishing the Condominium.

**Section 7. Director Indemnification.** Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may become a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer of the Association at the time such expenses are incurred; except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification this section shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners of the proposed indemnification. The Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

While this provision for indemnification is intended to meet and exceed the indemnification available to officers and directors under applicable Michigan statute, to the extent that there is any conflict, the applicable Michigan statute shall control to the extent that it provides for greater indemnification.

**Section 8. First Annual Meeting.** The First Annual Meeting of the Members of the Association may be convened only by the Developer and may be called at any time after more than fifty (50%) percent of the Units in Meadowbrook have been sold and the purchasers of those Units are qualified as Members of the Association. In no event, however, shall such meeting be called later than one hundred twenty (120) days after the conveyance of legal or equitable title to non-Developer Co-owners or seventy-five

(75%) percent of all Units, or fifty-four (54) months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, whichever first occurs. The Developer may call meetings of Members for informative or other appropriate purposes prior to the First Annual Meeting of Members and, in such event, no such meeting shall be construed as the First Annual Meeting of Members. The date, time and place of the actual First Annual Meeting shall be set by the Board of Directors, and at least ten (10) days written notice of it shall be given to each Co-owner.

**Section 9.** The following provisions shall apply, notwithstanding the fact that the First Annual Meeting may not have been called:

(a) Advisory Committee. An Advisory Committee of non-Developer Co-owners shall be established either 120 days after conveyance of legal or equitable title to non-Developer Co-owners of one-third (1/3) of the Units that may be created, or one (1) year after the initial conveyance of legal or equitable title to non-Developer Co-owners of a Unit in the Project, whichever first occurs. Such Advisory Committee shall be established by the Developer and shall consist of at least three (3) non-Developer Co-owners. The Advisory Committee shall be established and perpetuated in any manner the Developer deems advisable. The purpose of the Advisory Committee shall be to facilitate communication between the temporary Board of Directors, the Developer, and other Co-owners and to aid in the transition of control of the Association from the Developer to purchasing Co-owners. The Advisory Committee shall cease to exist automatically when the non-Developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association.

(b) First Board of Directors. The first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-Developer Co-owners to the Board of Directors. Elections for non-Developer Co-owner directors shall be held as set forth below.

(c) Appointment of Non-Developer Co-Owners to Board Prior to First Annual Meeting. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of twenty-five (25%) percent of the Units that may be created, at least one (1) director and not less than twenty-five (25%) percent of the Board of Directors of the Association of Co-owners shall be elected by the non-Developer Co-

owners. Not later than one hundred twenty (120) days after the conveyance of legal or equitable title to non-Developer Co-owners of fifty (50%) percent of the Units that may be created, not less than thirty-three and one-third (33-1/3%) percent of the Board of Directors shall be elected by non-Developer Co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-Developer Co-owners of seventy-five (75%) percent of the Units that may be created, and before conveyance of ninety (90%) percent of such Units, the non-Developer Co-owners shall elect all directors on the Board, except that the Developer shall have the right to designate at least one (1) director as long as the Developer owns and offers for sale at least ten (10%) percent of the Units in the Project, or as long as ten (10%) percent of the Units remain that may be created.

(d) Notwithstanding the formula provided above, fifty-four (54) months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, if title to at least seventy-five (75%) percent of the Units that may be created has not been conveyed, the First Annual Meeting shall be called; and the non-Developer Co-owners shall then have the right to elect, as provided in the Condominium Documents, a number of Members of the Board equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (c). Application of this subsection does not require change in the size of the Board as determined in the Condominium Documents.

(e) If the calculation of the percentage of Members of the Board that the non-Developer Co-owners have the right to elect under subsection (c), or if the product of the number of Members of the Board, multiplied by the percentage of Units held by the non-Developer Co-owners under subsection (c) results in the right of non-Developer Co-owners to elect a fractional number of Members of the Board, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of Members of the Board that the non-Developer Co-owners have the right to elect. After application of this formula, the Developer shall have the right to elect the remaining Members of the Board. Application of this subsection shall not eliminate the right of the Developer to designate one (1) Member as provided in subsection (c).



(f) As used in this section, the term "Units that may be created" means the maximum number of Units in all phases of the Condominium as stated in the Master Deed.

## ARTICLE II MEETINGS

Section 1. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Voting shall be as provided in Article I, Section 4 above. Meetings of the Association shall be conducted in accordance with Robert's Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Articles of Incorporation, the Bylaws, the Condominium Master Deed or the laws of the State of Michigan.

Section 2. The First Annual Meeting of Members of the Association shall be held in accordance with Article I, Sections 8 and 9. The date, time and place of the First Annual Meeting shall be set by the Board of Directors, and at least fifteen (15) days' written notice thereof shall be given to each Co-owner. Thereafter, the annual meeting of Members of the Association shall be held in the month of October each succeeding year at such specific date, time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article III of these Bylaws. The Co-owners may also transact at annual meetings such other business as may properly come before them.

Section 3. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by one-half (1/2) of the Co-owners, presented to the Secretary of the Association. Notice of any special meeting shall state the purpose thereof as well as the time and place where it is to be held, and shall be served upon each Co-owner of record, at least fifteen (15) days but not more than sixty (60) days prior to such meeting. No other business shall be transacted at a special meeting. The mailing, postage prepaid, of a notice of special meeting to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article I, Section 4 hereof, shall be deemed notice served. Any Member may, by written waiver of notice signed by such Member, waive such notice, and such waiver, when filed in the records of the Association shall be deemed due notice.

Section 4. 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 scheduled to be held.

Section 5. The order of business at the annual meeting of the Co-owners shall be as follows:

- (a) Roll call;
- (b) Reading notice and proof of mailing;
- (c) Report of President;
- (d) Report of Secretary;
- (e) Report of Treasurer;
- (f) Election of Directors;
- (g) Transaction of other business mentioned in the notice;
- (h) Adjournment,

provided in the absence of any objections, the presiding officer may vary the order of business at his discretion.

**ARTICLE III  
BOARD OF DIRECTORS**

Section 1. The affairs of the Association shall be governed by a Board of Directors all of whom must be Members of the Association, except for the first Board of Directors designated in the Condominium Bylaws. Directors shall serve without compensation.

Section 2. The first Board of Directors as designated in the Condominium Bylaws shall be composed of two (2) persons chosen by the Developer and such first Board of Directors shall manage the affairs of the corporation until a successor Board of Directors is elected at the First Annual Meeting of Members of the Association convened at the time required by these Condominium Bylaws. At such First Annual Meeting of Members of the Association, the Board of Directors shall be increased in size from two (2) to five (5) Persons. The directors elected will serve staggered terms, such that two (2) of the five (5) directors shall serve for two (2) years, and three (3) of the five (5) directors shall serve one (1) year. Thereafter, directors shall all serve two year terms. Directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. The Board of Directors shall have the powers and duties set forth in these Bylaws.

Section 4. Vacancies in the Board of Directors (including the first Board of Directors) caused by any reason other than the removal of a director by a vote of the Members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each person so elected shall be a director until a successor is elected at the next annual meeting of Members. The Developer may remove and replace any or all of the directors from time to time at its sole discretion, prior to the Transitional Control Date.

Section 5. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by a majority of the Co-owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

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

Section 7. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally, by mail, telephone or telefacsimile, at least ten (10) days prior to the date named for such meeting.

Section 8. Special meetings of the Board of Directors may be called by the President on five (5) days notice to each director, given personally, by mail, telephone or facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of one director.

Section 9. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be deemed a waiver by him of notice of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting. The joinder of a director in the action of a meeting by signing and concurring in the minutes of the meeting will constitute the presence of such director for purposes of determining a quorum. A director may affirm or ratify action of the Board by signing minutes or other written ratification of director action.

Section 10. 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 and concurring in the minutes thereof, shall constitute the presence of such director for purposes of determining a quorum.

Section 11. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

#### ARTICLE IV OFFICERS

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

Section 2. 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.

Section 3. 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.

Section 4. 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 the Association, including, but not limited to, the power to appoint committees from among the Members of the Association from time to time as the President deems appropriate to assist in the conduct of the affairs of the Association.

Section 5. The Vice-President shall take the place of the President and perform such duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other Member of the Board to so act 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. The Secretary shall keep the minutes of the meetings of the Board of Directors and the minutes of all meetings of the Members of the Association; and shall have charge of the

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.

Section 7. 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.

Section 8. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors. The officers have authority to delegate certain duties, but not ultimate responsibility, to others, including committees of others.

#### **ARTICLE V SEAL**

The corporation may have a corporate seal and, if so, it shall have inscribed thereon the name of the corporation, the words "Corporate Seal", and "Michigan".

#### **ARTICLE VI FINANCE**

Section 1. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the directors. The commencement date of the fiscal year shall be subject to change by the directors for accounting reasons or other good cause.

Section 2. The funds of the Association shall be deposited in such bank or other accredited financial institution as may be designated by the directors and shall be withdrawn only by such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

#### **ARTICLE VII AMENDMENTS TO ASSOCIATION BYLAWS**

Section 1. These Association Bylaws (Articles I through XI, inclusive) (but not the Condominium Bylaws) may be amended by the Association at a duly constituted meeting for such purpose, by an affirmative vote of a simple majority of the Co-owners present, by proxy or written vote as such vote is defined in Article I, Section 4 of these Condominium Bylaws.

Section 2. Amendments to the Association Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the directors or by one-third or more in number of the Members of the Association whether meeting as Members or by proxy or instrument in writing signed by them.

Section 3. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of Article II of these Bylaws.

Section 4. Any amendment to the Association Bylaws shall become effective upon adoption of same in accordance with Section 1 of this Article VII without approval by the State of Michigan and without recording in the office of the Register of Deeds.

Section 5. A copy of each amendment to the Association Bylaws shall be furnished to every Member of the Association after adoption.

#### **ARTICLE VIII ASSESSMENTS**

All legitimate expenses arising from the management, administration and operation of the Association pursuant to its authorizations and responsibilities as reflected in the Condominium Documents and the Act, shall be levied by the Association against the Units and the Co-owners of Units as follows:

**Section 1. Tangible Personal Property.** The Association shall be assessed as the Person or entity in possession of tangible personal property of the Condominium owned or possessed in common by the Co-owners, if any, and personal property taxes based on such property shall be treated as expenses of administration.

**Section 2. Assessments for Common Elements.** Expenditures affecting administration of the Condominium shall include all costs incurred in satisfaction of any liability arising with, caused by or connected with the Common Elements or the administration of the Condominium. Receipts affecting administration of the Condominium shall include all sums received as proceeds of, or pursuant to, a policy of insurance securing the interests of the Co-owners against liabilities or losses arising within, caused by or connected with the Common Elements or the administration of the Condominium, within the meaning of Section 54 (4) of the Act.

**Section 3. Determination of Assessments.** Assessments shall be determined in accordance with the following provisions:

(a) **Budget.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year, and such budget shall project all expenses for the forthcoming year which may be required

for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis, if any, shall be established in the budget and must be funded by regular payments rather than by special assessments. At a minimum, the reserve fund shall be in an amount not less than ten (10%) percent of the Association's current annual budget. A copy of each annual budget shall be delivered to each Co-owner, and the assessment for the year shall be established based upon said budget. The Board of Directors of the Association may increase the assessment if the Board of Directors finds that the revenues of the Association are insufficient to pay costs of operation. Special assessments may be made by the Board of Directors from time to time for payment of any obligation of the Association.

In any operational year of the Association, expenditures for capital improvements to the Common Elements may not exceed \$5,000 unless such expenditures are approved by sixty-six and two-thirds (66-2/3%) percent of the Co-owners. The Board of Directors shall not authorize any capital improvement at the expense of the Association itself. For purposes of interpretation of this subsection, "capital improvement" means an addition or improvement to the Condominium Common Area beyond or other than a repair, replacement or maintenance of existing Common Elements.

As indicated, the Board of Directors shall maintain a reserve fund for major repairs and replacement of Common Elements, which reserve fund shall be in the amount of not less than ten (10%) percent of the Association's current annual budget. The minimum reserve fund required by this subsection may prove inadequate for the Condominium. The Board of Directors shall annually consider the needs of the Condominium to determine if a greater amount should be set aside in reserve or if additional reserve funds should be established for any other purpose(s).

Should the Board of Directors at any time decide, in the sole discretion of the Board, that the assessments levied are or may prove to be insufficient to pay the cost of operation and management of the Condominium, or provide replacement of existing Common Elements, to provide capital improvements to the Common Elements or, in the event of an emergency, the Board of Directors shall have the authority to increase the general

assessment or to levy such additional or special assessments as it shall deem necessary. The Board of Directors shall also have the authority, without Co-owner consent, to levy assessments to cover cost of repair or replacement due to a casualty loss. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the Members of the Association, and shall not be enforceable by any creditors of the Association or of the Members.

(b) **Special Assessments.** In addition to those set forth above, special assessments may be made by the Board of Directors from time to time and approved by the Co-owners as provided in these Bylaws, to meet other needs or requirements of the Association, including, but not be limited to: (1) assessments for capital improvements or additions at a cost exceeding \$5,000 per year; (2) assessments to purchase a Unit upon foreclosure of the lien for assessments as hereinafter described; or purchase of a Unit, if applicable for other reasons; or (3) for any other appropriate purpose not elsewhere described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph (a) above, which may be levied at the sole discretion of the Board of Directors) shall be levied only with the prior approval of at least sixty-six and two-thirds (66-2/3%) percent of all Co-owners, and shall not be enforceable by any creditors of the Association or its Members.

**Section 4. Allocation of Assessments.** To the extent not otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned and allocated among and be paid by the Co-owners in accordance with the Percentage of Value assigned to each Unit by the Master Deed. Unless the Developer determines otherwise pending the First Annual Meeting, or the Association determines otherwise thereafter, the annual assessment shall be payable by Co-owners monthly, commencing with acceptance of a deed or a land contract buyer's interest in a Unit, or with the acquisition of fee simple title to a Unit from Developer by any other means. Co-owners purchasing during an operational year of the Association shall pay the budgeted assessment for the balance of that year.

**Section 5. Developer's Responsibility for Assessments.** During the Construction and Sales Period, as defined in Article IV (m) of the Master Deed, Developer, even though a Member of the Association, shall not be responsible for payment of the periodic Association assessment, except for any Unit containing a dwelling that is actually occupied by the Developer as a residence.



Additionally, to the extent that the Developer maintains a sales office, models or other facilities on the Condominium Premises to facilitate development and sale of the Project, the Developer shall pay all costs related to such matters. The Developer shall pay or reimburse the Association for any direct maintenance expenses incurred for Units owned by the Developer. In no event shall the Developer be responsible for payment, during the Construction and Sales Period, of any assessments for deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to Units owned by the Developer on which a dwelling capable of occupation has been constructed. The Developer shall not be responsible at any time for payment of the periodic monthly assessment or payment of any expenses whatsoever with respect to Units not yet completed, notwithstanding the fact that such Units not completed may have been included in the Master Deed. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs. "Occupied Unit" shall mean a Site Unit upon which there has been erected a residence which is then being used for residential purposes.

**Section 6. Apportionment of Assessments.** All assessments levied against Co-owners to cover expenses of administration and the like shall be apportioned among and paid by the Co-owners equally, because each Co-owners's Percentage of Value is equal as set forth previously. Except as may otherwise be stated in the Master Deed, each Co-owner's proportional responsibility for assessments exists without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. No Co-owner shall be exempt from liability for contribution towards expenses of administration by waiver of the use or the enjoyment of any of the Common Elements or by the abandonment of a Condominium Unit.

**Section 7. Default.** As indicated elsewhere in this document, assessments shall be payable by Co-owners monthly, commencing with acceptance of a deed or a land contract buyer's interest in a Unit or with acquisition of fee simple title to a Unit from the Developer by any other means. Payment of assessments shall be in default if such assessment, or any part of it is not paid to the Association in full on or before the due date for such payment. Each installment in default shall bear interest from its initial due date at the rate of seven (7%) percent per annum until such installment is paid in full. A late charge not to exceed twenty-five (\$25.00) dollars per installment may be assessed automatically by the Association upon each installment in default for ten (10) or more days, until paid in full. The Association may levy fines for late payment of assessments in addition to such late charge and interest charge. Each Co-owner (whether one or more person) shall be, and remain, personally liable for the payment of all

assessments (including late charges, fines for late payment, interest, and costs of collection and enforcement of payment) pertinent to such Co-owner's Unit which may be levied while such Co-owner is the owner of it. In event of land contract purchase, the land contract buyer from any Co-owner, including the Developer, shall be personally liable for all such assessments levied up to and including the date upon which such land contract seller actually re-takes possession of the Unit following extinction of all rights of the land contract buyer in the Unit. Payment on account of installments of assessments in default shall be applied as follows: (1) first, to costs of collection and enforcement of payment, including reasonable attorney's fees; (2) second, to any interest charges and fines for late payment of installments; (3) third, to installments in default in order of due date.

**Section 8. Liens for Unpaid Assessments.** Sums assessed to a Co-owner which are unpaid constitute a lien upon the Unit or Units in the Condominium owned by the Co-owner at the time of assessment and shall have priority over other liens, except tax liens on the Condominium Unit in favor of any state or federal taxing authority and sums unpaid on the first mortgage of record. The lien upon such Condominium Unit owned by the Co-owner shall be in the amount assessed against the Condominium Unit, plus a proportionate share of the total of all other unpaid assessments attributable to Condominium Units no longer owned by the Co-owner but which became due while the Co-owner had title to the Condominium Unit. The lien for delinquent assessments may be foreclosed by an action at law or by advertisement by the Association in the name of the Condominium, on behalf of the other Co-owners.

**Section 9. Enforcement.**

(a) **Remedies.** In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installments or part of any installments of the annual assessment levied against such Co-owner's Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any utilities or other services to a Co-owner in default, upon seven (7) days written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to use any of the recreational General Common Elements of the Project and shall not be entitled to vote at any meetings of the Association, so long as such default continues; provided, however, that this provision shall not operate to deprive any Co-owner of access to and from

such Co-owner's Unit. In any judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the dwelling located on the Unit from the Co-owner or any persons claiming under him. The receiver may also take possession of the dwelling located on the Unit if it is unoccupied and lease the Condominium Unit and collect and apply the rental. As indicated previously, the Association may also assess fines for late payment or nonpayment of assessments, and charge interest on delinquent assessments. All of these remedies shall be cumulative and not in the alternative. The Association generally shall have all remedies available under applicable Michigan law, if any exists beyond those stated in this document.

**(b) Foreclosure Proceedings.** Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to judicial foreclosures and foreclosure by advertisement, as the same may be amended from time to time, are incorporated herein by reference. Further, each Co-owner and every other person who from time to time has any interest in the Project, shall be deemed to have authorized and empowered the Association to sell or cause to be sold the Unit with respect to which the assessment(s) is or are delinquent, and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this subparagraph and that such Co-owner voluntarily, intelligently and knowingly waives notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and any hearing on such issues prior to the sale of the subject Unit.

**(c) Notice of Action.** Notwithstanding the above provisions relating to default and remedies of the Association, neither a judicial foreclosure action, formal activity regarding a foreclosure by advertisement, nor a legal action for money judgment shall be commenced or published until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his last known address a written notice. The notice shall reflect that one or more installments of the annual assessment levied, or a portion of any such assessment, against the pertinent Unit, is or are delinquent and that the Association may

invoke any of its remedies set forth in this section if the default is not cured within ten (10) days after the date of mailing. Such written notice shall identify the capacity of the person signing the notice, the authority for the lien and other action sought, the amount outstanding, exclusive of interest, costs, attorney fees and future assessments, the legal description of the subject Unit(s) and the names of the Co-owners(s) of record. The notice shall be in recordable form, executed by an authorized representative of the Association, and may contain such other information as the Association deems appropriate. The notice of default or lien shall be recorded in the Office of the Register of Deeds for Clinton County and served on the Co-owner as specified above. The notice need not have been recorded as of the date of mailing of the notice. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as is available to it under the Condominium Documents or under Michigan law.

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

**Section 10. Statement as to Unpaid Assessments.** The purchaser of any Unit may make a written request for a statement from the Association as to the amount of any unpaid assessments on that Unit, whether regular assessments or special assessments or otherwise. Upon written request to the Association, accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments and other such charges as may exist, or a statement that none exists, which statement shall be binding upon the Association for the period covered. Upon the payment of the sum for the period covered, and all late charges, fines, interest and associated costs, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments and other charges and the lien securing such assessments and charges fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act.

**Section 11. Liability of Mortgagee.** Notwithstanding any other provisions of the Master Deed, these Bylaws, or the Articles of Incorporation of the Association, if the Mortgagee of a first mortgage of record or other purchaser of a Condominium Unit obtains

title to the Condominium Unit as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the Association chargeable to the Unit which became due prior to the acquisition. All such assessments are deemed to be common expenses collectible from all Co-owners, including such mortgagee, its successors or assigns.

**Section 12. Property Taxes and Special Assessments.** All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

**Section 13. Personal Property Tax Assessment of Association Property.** The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, if any, and personal property taxes based thereon shall be treated as expenses of administration.

**Section 14. Mechanic's Lien/Construct Lien.** A Mechanic's Lien/Construction Lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

#### ARTICLE IX ARBITRATION/JUDICIAL ACTION

**Section 1. Scope and Election.** Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Master Deed, these Bylaws, Corporate Bylaws, Articles of Incorporation of the Association, or any disputes, claims or grievance arising among or between Co-owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration; and the parties shall accept the arbitrator's decision as final and binding. Such consent shall also include an agreement of the parties that the judgment of any applicable circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration. Notwithstanding the above, arbitration may not occur as to any question affecting the claim of title of any person to any fee interest or life estate in real estate. The Commercial Arbitration Rules of the American Arbitration Association, as amended and in effect from time to time, shall be applicable to any such arbitration.

**Section 2. Judicial Relief.** In the absence of the election and written consent of the parties outlined above, no Co-owner nor the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

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

**Section 4. Co-owner Approval for Certain Association Litigation.** Any civil action proposed by the Board of Directors on behalf of the Association, other than for the collection of delinquent assessments, shall be subject to prior approval of a majority of the Co-owners. After the First Annual Meeting of the Members of the Association, the foregoing percentage requirements shall be determined without regard to any Units which may be owned by the Developer.

**ARTICLE X  
INSURANCE**

**Section 1. Extent of Coverage.** Since a Condominium Unit in this Project consists of land in the form of a building site as specifically depicted on the Condominium Subdivision Plan, the Association shall, to the extent appropriate given the nature of the Common Elements of the project, carry fire and extended coverage, vandalism, malicious mischief, liability insurance, and, if applicable, worker's compensation insurance pertinent to the ownership, use and maintenance of the Common Elements of the Condominium, and such other insurance as the Board of Directors of the Association deems advisable. All such insurance shall be carried and administered in accordance with the following provisions:

**(a) Responsibilities of Association and Co-Owners.**

All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their Mortgagees, as their interests may appear; provision shall be made for the issuance of certificates of Mortgagee endorsements to the mortgages of Co-owners. Each Co-owner may and should obtain insurance coverage at such Co-owner's expenses upon such Unit. It shall be each Co-owner's responsibility to determine, by personal investigation the nature and extent of necessary and adequate insurance coverage, and to obtain insurance coverage for such Co-owner's Unit, dwelling, other structures, personal property and any additional fixtures, equipment and the like located upon such Unit or elsewhere on the Condominium and for personal liability for occurrences with such Unit or upon any Limited Common Elements appurtenant to such Unit, and also for alternative living expenses in event of fire or other casualty, and also fire, extended coverage and liability insurance for any residence, structures or improvements placed upon that Unit. The Association shall have absolutely no responsibility for obtaining

such coverages described as the responsibility of a Co-owner.

(b) Insurance on Common Elements. All Common Elements of the Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

(c) Premium Expenses as Cost of Administration. All premiums for insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, the Co-owners and their Mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article XI of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction; and in no event shall hazard insurance proceeds be used for any purposes other than for repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first mortgages on Units in the Condominium have given their prior written approval.

**Section 2. Association's Authority to Settle Insurance Claims.** Each Co-owner, by ownership of a Unit in the Condominium, shall be deemed to appoint the Association as the Co-owner's true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and worker's compensation insurance, if applicable, pertinent to the Condominium, (exclusive of the Co-owner's Unit and all structures and personal property located thereon) and the Common Elements with such insurer as may, from time to time, provide such insurance for the Condominium. Without limitation on the generality of the foregoing, the Association, as said attorney-in-fact, shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective Mortgagees, as their interests may appear (subject always to the provisions of the Master Deed and these Bylaws), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as

shall be necessary or convenient to the accomplishment of the foregoing.

**Section 3. Summary of Insurance Responsibility of Co-Owners.**

As indicated above, given the nature of this Condominium Project, each Co-owner shall be obligated and responsible for obtaining fire and extended coverage, vandalism, liability and malicious mischief insurance with respect to any building and all other improvements constructed or to be constructed within the boundaries of his Condominium Unit and for all his personal property located within the boundaries of the Condominium Unit or any buildings placed upon the Condominium Unit or elsewhere on the Condominium Project. All such insurance shall be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Co-owner shall deliver certificates of insurance to the Association from time to time or upon request, to evidence the continued existence of all insurance required to be carried and maintained by the Co-owner. In the event a Co-owner fails to obtain such insurance or to provide evidence of it to the Association, the Association may obtain such insurance on behalf of such Co-owner and the premiums for such insurance shall constitute a lien against the Co-owner's Unit, which lien may be collected from the Co-owner in the same manner that Association assessments may be collected. Each Co-owner shall also be obligated to obtain insurance coverage for his personal liability for occurrences within the boundaries of his Unit or the improvements located on it and also for any other personal insurance coverage that the Co-owner may wish to carry. The Association shall, under no circumstances, have any obligation to obtain any of the insurance coverages described in this section or any liability to any person for its failure to do so. Co-owners are encouraged to obtain such insurances accordingly.

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

**ARTICLE XI  
RECONSTRUCTION OR REPAIR**

**Section 1. Responsibility for Reconstruction or Repair.** If any part of the Condominium Premises is damaged, the determination of whether or not it shall be reconstructed or repaired, and the responsibility therefor, shall be generally in conformity with the Planned Development Agreement and applicable township requirements and otherwise as follows:

(a) **General Common Elements.** If the damaged property is a General Common Element, the damaged



property shall be rebuilt or repaired unless all of the Co-owners and all of the institutional holders of mortgages on any Unit in the Project unanimously agree to the contrary.

(b) Unit or Improvements Thereon. If the damaged property is a Unit or any improvements thereon, the Co-owner of such Unit alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any Mortgagee or other Person or entity having any interest in such property, and such Co-owner shall be responsible for any reconstruction or repair that he elects to make. The Co-owner shall in any event remove all debris and restore his Unit and the improvements on it to a clean and slightly condition satisfactory to the Association as soon as reasonably possible following the occurrence of the damage.

**Section 2. Repair in Accordance with Master Deed, etc.** Any such reconstruction or repair shall be substantially in accordance with the Master Deed unless the Co-owners unanimously decide otherwise, and subject to approval by the Design Committee.

**Section 3. Association Responsibility for Repair.** Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at anytime during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

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

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

(a) Taking of Unit or Improvements Thereon. In the event of any taking of all or any portion of a Unit or any improvements thereon by eminent domain, the award for

such taking shall be paid to the Co-owner of such Unit and the Mortgagee thereof, as their interests may appear, notwithstanding any provisions of the Act to the contrary. If a Co-owner's entire Unit is taken by eminent domain, such Co-owner and his Mortgagee shall, after acceptance of the condemnation award therefor, be divested of all interest in the Condominium Project.

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

(c) Continuation of Condominium After Taking. In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article VI of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the Percentages of Value of the remaining Co-owners based upon the continuing value of the remaining Condominium being one hundred (100%) percent. If any portion of a building located within a Unit is taken, these Bylaws and the Master Deed also shall be amended to reflect such taking. All such amendments may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specified approval thereof by a Co-owner.

(d) Notification of Mortgagees. In the event any Unit in the Condominium Project, or any portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

(e) Applicability of the Act. To the extent not inconsistent with the foregoing provisions, Section 133 of the Act shall control upon any taking by eminent domain.

**Section 6. Priority of Mortgagee Interests.** Nothing contained in the Condominium Documents shall be construed to give

a Co-owner or any other party priority over any rights of first Mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Co-owners of insurance proceeds or condemnation awards' for losses to or a taking of Condominium Units and/or Common Elements.

**ARTICLE XII  
RESTRICTIONS**

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

**Section 1. Restrictions and Other Permitted Use.** No Unit in the Condominium shall be used, except as may be provided herein, for other than single-family residential purposes, and the Common Elements shall be used only for purposes consistent with the use of single-family residences. For purposes of interpretation, a family shall mean one person or group of two or more persons related by bonds of consanguinity, marriage, or legal adoption, along with tenants, family, guests and domestic servants. "Residential purposes", for purposes of interpretation, shall not prevent any Co-owner or lessee which is an artist, artisan or craftsman from pursuing such artistic calling, if such artist, artisan or craftsman uses the Unit primarily for residential purposes, is self employed, has no employees working at the Unit, does not advertise or offer any product or work of art for sale to the public upon or from such Unit, and so long as such activity does not in any other way violate any other restrictions of this Article. Likewise "residential purposes" shall not be interpreted to prevent a Co-owner or lessee from maintaining a home office, on the same terms and conditions as set forth above, provided further that the Co-owner or lessee maintaining a home office need not be self-employed.

Neither the Units nor the Common Elements shall be used in violation of any applicable zoning or other ordinances of Bath Township or in violation of other pertinent law and/or public regulation.

**Section 2. Leasing and Rental.**

(a) **Lease Terms and Purposes.** A Co-owner may lease a Unit and the improvements thereon, or any portion of such Unit or improvements, for the same purposes set forth in Section 1 of this Article VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b) below. For purposes of clarification, any lease involving the exercise by an artist, artisan or craftsman of that person's artistic calling, or use as a home office, must be incidental or

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 coincidental to that persons's occupancy lease or otherwise, of the Condominium Unit. All leases must be in writing and, not oral; no such lease shall be for a term of less than six (6) months without the prior written approval of the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in its discretion, but for only those purposes permitted as set forth in these Restrictions and otherwise.

(b) Leasing Procedures. A Co-owner, including the Developer, desiring to rent or lease a Condominium Unit, shall disclose that fact in writing to the Association at least fourteen (14) days before presenting a lease form to a potential tenant and, simultaneously, shall supply the Association with a copy of the same exact lease form for its review for compliance with the Condominium Documents. If Developer desires to rent Condominium Units before the Transitional Control Date, it shall notify either the Advisory Committee or each Co-owner in writing.

(1) Tenants or non-Co-owner occupants shall comply with all the conditions of the Condominium Documents of the Condominium Project, and all leases and rental agreements shall so state.

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

(A) The Association of Co-owners shall notify the Co-owner by certified mail, advising of the alleged violation by the tenant. The Co-owner shall have fifteen (15) days after receipt of the notice to investigate and correct the alleged breach by the tenant or advise the Association of Co-owners that a violation has not occurred or is cured.

(B) If, after fifteen (15) days the Association of Co-owners believes that the alleged breach is

not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association of Co-owners, if it is under the control of the Developer, an action for both eviction against the tenant or non-Co-owner occupant and, simultaneously, for money damages against the Co-owner and tenant or non-Co-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this section may be by summary proceeding. The Association of Co-owners may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Condominium Unit or Condominium Project.

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

(4) The Association, in its discretion, may require each Co-owner who leases his Unit to obtain from his tenant the maximum security deposit permitted by law. The Association may further require such security deposit to be remitted to the Association to be held by it to secure the faithful performance by both the tenant and the landlord of the terms and provisions of the lease between them and of the terms and conditions of the Condominium Documents. The Association may make such further rules and regulations relative to this leasing provision as it may deem necessary or appropriate.

**Section 3. Architectural Control.**

(a) **In General.** No building, structure or other improvement shall be constructed upon or within a Condominium Unit or elsewhere within the Condominium Project nor shall any exterior modification be made to any existing buildings, structures or improvements, unless plans and specifications therefor, containing such detail as the Developer may reasonably request, have first been approved in writing by the Developer, or the Design Committee, once activated. Construction of any building or other improvement must also receive any necessary approvals from the local public authority. The Developer shall have the right to refuse to approve any such plans or specifications, or grading or landscaping plans, which are not suitable or desirable in its sole opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to be constructed, the degree of harmony thereof with the Condominium as a whole, color scheme and general aesthetic effect. The Developer may also, in its discretion, require as a condition of approval of any plans, an agreement for special assessment of increased maintenance charges from any Co-owner whose proposed building, appurtenances and related improvements will cause the Association abnormal expenses in carrying out its responsibilities with respect thereto under the Master Deed. The purpose of this section is to assure the existence and continued maintenance of the Condominium as a beautiful residential development harmonious with its natural surroundings, and shall be binding upon the Association and upon all Co-owners. The Developer's rights under this Article XII, Section 3 may, in the Developer's discretion, be assigned to a Design Committee (previously defined in Article IV, Section (o) of the Master Deed), the Association or other successor to the Developer. The Developer may construct any improvements upon the Condominium Premises that it may, in its sole discretion, elect to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium Documents.

(b) **Alteration and Modification of Units and Common Elements.** No Co-owner shall make changes in any of the Common Elements without the express written approval of the Developer (during the Construction and Sales Period), or of the Board of Directors. Nor shall any Co-owner construct, reconstruct, refinish, change the color or, alter or maintain any part of the exterior of any dwelling or other improvement upon, under or above any structure located on his Unit, or make or create any excavation or fill on a Unit, or make any change of the natural or existing surface drainage of his Unit, without the express written prior approval from the Developer (during the construction and sales period), or of the Design Committee, once activated, or the Board of Directors of the Association. No Co-owner shall in any way restrict access

to any utility line, or other element that must be accessible to service the Common Elements or any element which affects any Association responsibility in any way.

Nothing contained in this section shall be deemed to require a Co-owner to obtain approval from the Developer, Design Committee, or Board as to any interior improvements or alterations, nor shall an owner be required to obtain approval when simply reconstructing or refinishing in accordance with previously approved plans including, but not limited to, original color and materials.

(c) General Standards of Review for Approval or Disapproval of Plans and Specifications. While the Developer, during the Construction and Sales Period, and the Design Committee, once activated, and the Board of Directors of the Association, once activated, will have broad discretion in reviewing and approving or disapproving plans and specifications for activity described above, such individuals or entities shall consider the requirements, standards and restrictions set forth in the Condominium Documents and in the rules governing the Design Committee and will also include but not be limited to the following general criteria:

(1) That the activity for which approval is sought will be compatible with and not in violation of the Planned Development Agreement existing between the Developer and the Township of Bath, and otherwise be in conformity with local ordinance of the Township of Bath and other applicable law and ordinance.

(2) That such activity will be compatible and in harmony as to quality and type of materials and workmanship and as to external design and appearance with existing structures and other improvements in the area and with reference to the location of the proposed improvement regarding topography, ground elevation, and like considerations.

(3) That any construction activity occur within the buildable area, generally described as the area within designated setbacks and excluding utility and drainage easements; further that any dwelling sought to be constructed be limited to one (1) single family dwelling.

(4) Activity contemplated must conform to the general plan of the entire development.

(5) Activity contemplated must constitute a suitable and adequate development of the Unit in light of all purposes contemplated for the development in general and the chosen site in particular.

(6) With reference to the principal dwelling structure contemplated to be constructed, it must be compatible with the other comparable buildings in the area and must not, because of its design or elevation, unreasonably interfere with the light, air or view of adjoining Units.

(7) That such activity will cause either no disturbance or a minimal disturbance of natural landscaping, flora and fauna and that such activity will occur in a manner so as to blend any new construction and landscaping with that natural landscaping existing where the common area joins a particular Unit, if any.

**Section 4. Activities.** No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, Limited or General; nor shall anything be done which may be or become an annoyance or nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity be carried on in any Unit or on the Common Elements. If the issue of what constitutes "unreasonably noisy activity" cannot otherwise be resolved, any applicable ordinance of the township or other local governing body in the geographical area where the Condominium Project is located, may be used to determine what constitutes such prohibited activity. Any disputes among Co-owners arising as a result of this provision, which cannot otherwise be amicably resolved, shall be arbitrated by the Association. No Co-owner shall do or permit anything to be done or to keep or permit to be kept on the Co-owner's Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the prior written approval of the Board of Directors, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition. No flammable, explosive or hazardous materials may be stored within the boundaries of a Unit or any building or improvement on the Unit, without the written consent in advance of the Association; except that small amounts of gasoline and fuel oil may be maintained for permitted and lawful personal use.

**Section 5. Aesthetics.** The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the Master Deed or in duly adopted rules and regulations of the Association. In general,



no activity shall be carried on nor any condition maintained by a Co-owner, either in his Unit or upon the Common Elements, which is detrimental to the aesthetics and appearance of the Condominium. No outside clotheslines or other outside clothes drying or airing facilities shall be permitted except within a fenced yard and otherwise not visible from the roadways or neighboring Units.

**Section 6. Maintenance of Units/Common Element Maintenance.**

Each Unit, any and all improvements on that Unit, and any limited Common Element appurtenant thereto, shall be maintained by the Co-owner in aesthetic, clean and appropriate condition and repair, and be in conformity with these Restrictions and local township requirements and in such manner as not to create a fire, safety or health hazard, all at the Co-owner's sole cost and expense. No Co-owner shall use or abuse the Common Elements such that the Common Elements would be obstructed in anyway or used for purposes other than that for which such Common Elements are reasonably and obviously intended. No Co-owner may leave personal property of any description unattended on or about the Common Elements. No Co-owner shall undertake any activity or use of the Common Elements that would interfere with or take away from the intended use of the Common Elements.

**Section 7. Animals/Pets.** No animal may be kept or bred for any commercial purpose within the Condominium Project. Those animals permitted by this subsection, or action of the Board of Directors, shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements. No savage or dangerous animal shall be kept. Any Co-owner who causes any animal to be brought on or kept upon the Condominium Premises shall indemnify and hold harmless the Association for any loss, damage, or liability which the Association may sustain as the result of the presence of such animal on the Premises, whether or not the Association has given its permission for it to be there.

No outdoor kennels, runs or housing shall be maintained for any such animal or pet.

The Association shall have the right to adopt such additional reasonable rules and regulations with respect to animals/pets as it may deem proper. In the event of any violation of this section, the Board of Directors of the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted rules and regulations of the Association.

**Section 8. Storage/Vehicles.** No garbage or trash shall be permitted to be stored upon any Unit except in enclosed receptacles designed for that purpose and screened from view from any adjoining street, except that such trash may be permitted on or near the Common Elements solely and only to facilitate trash pickup

services. No accumulated waste plant materials will be permitted on any Units unless contained in specific mulching receptacles or screened mulching areas.

No house trailers, commercial vehicles, boat trailers, boats, motor homes, camping vehicles, camping trailers, recreational vehicles, snowmobiles, snowmobile trailers or vehicles, other than automobiles or vehicles used primarily for general personal transportation purposes, may be parked or stored upon the Condominium Premises, unless parked in a garage with the door closed. No inoperable vehicles of any type may be brought or stored upon the Condominium Premises on any permanent basis, provided that nothing in this paragraph shall prevent a Co-owner from performing minor maintenance work and minor repairs on his own vehicle, trailer, boat or like item within the confines of his own closed garage. Commercial vehicles and trucks shall not be parked on or about the Condominium unless while making deliveries or pickups in the normal course of business, or unless such commercial vehicle or truck can be stored completely within a closed garage. Use of motorized vehicles anywhere on the Condominium Common Area, except dedicated roadways, and except for maintenance purposes, is prohibited. Overnight parking on any street in the Condominium is prohibited except to the extent permitted by local or state rules and regulations governing the public roadways within the Condominium Project.

No vehicular access is permitted from any Unit to a street over a boundary which is indicated on the Condominium Subdivision Plan as a restricted access or Common Area, nor over any strip of Common Area lying between the boundary of a Unit and a public street (except where such access over such common area or landscape easement is the only access to and from the Unit to any public street and where an easement has been obtained from the Association.

No truck of more than one ton capacity shall be kept, placed, or maintained upon any Unit in such manner as to be visible from the adjoining streets or Units; provided, however, that the provisions of this paragraph shall not apply to construction equipment maintained for a period not to exceed one (1) year and used exclusively in connection with the construction of any work or improvement permitted on a particular Unit pursuant to these Condominium Documents.

No operation of snowmobiles, off road or dirt bike type vehicles, other motorized or alternatively powered recreational vehicles is allowed, except to the extent such vehicles may be allowed to operate on public streets, and, in such event, their use shall be limited to the public streets.

**Section 9. Signs and Advertising.** No signs or other advertising devices of any kind shall be displayed which are

visible from the public roadways or another Unit or the Common Elements, without written permission from the Association or, during the Construction and Sales Period, from the Developer, except: such signs as may be required by legal proceedings; one residential identification sign to be provided by the Association; during construction of any residence or other improvements, one job identification sign; one "for sale" or "for rent" sign to be approved by the Association with such sign to refer only to the premises to which it relates and which such sign to be only temporarily erected during such sale or rental period. Any signs so permitted shall conform with applicable township standards and be subject to applicable township review and approval procedures.

**Section 10. Landscaping.** No Co-owner shall perform any landscaping or plant any trees, shrubs, flowers or place any ornamental materials upon the Common Elements without the prior written approval of the Association or, during the Construction and Sales Period, of the Developer. Additionally, all Co-owners agree, subject to the approval of the Developer or Design Committee or Board of Directors, as above described, to coordinate landscaping on their Unit with the adjoining landscaping in the Common Areas in those areas where the Common Area joins the Unit.

**Section 11. Mineral Rights and Exploration.** No exploration or drilling for oil or gas or removal of sand, gravel, or other subsurface materials shall be allowed, without the specific consent in writing in advance from the Association or, during the Construction and Sales Period, from the Developer.

**Section 12. Weapons/Hunting/Fishing/Trapping.** No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows or other similar weapons, projectiles or devices anywhere on or about the Condominium Premises.

**Section 13. Other Uses of Common Areas.** The use of the Common Elements are subject to such easements and right-of-way reserved relating thereto, at the time this Condominium Project is created and also subject to such rights-of-way and easements as may be reserved to the Developer, the County of Clinton, and the Township of Bath for purposes of roadways, utilities and the like.

No improvement, excavation or other work which in any way alters the Common Areas from their natural or existing state shall be made or done except pursuant to these Condominium Documents, or as set forth in the Condominium Subdivision Plan attached as Exhibit B.

Except as set forth above, there shall be no use of the Common Areas except uses which do not injure or permanently scar the Common Areas or the vegetation within them, or which increases the

cost of maintenance, or which causes unreasonable disturbance or annoyance to Co-owners.

There shall be no camping in the Common Areas, no fire started or maintained in the Common Areas except and unless to the extent such camping or use of fires is specifically permitted in advance in writing by the Association or, during the Construction and Sales Period, by the Developer.

**Section 14. Rules and Regulations.** Reasonable rules and regulations consistent with all laws, the Master Deed, these Bylaws, the Corporate Bylaws and Articles of Incorporation of the Association 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 operation of the Association and of the Condominium may be made and amended from time to time by the Board of Directors. Copies of all such rules and regulations and amendments thereto shall be furnished to all Co-owners. Any such regulation or amendment may be revoked at anytime by the affirmative vote of a majority of the Co-owners. The authority to enact rules and regulations as stated above is also available to the first Board of Directors or its successors prior to the Transitional Control Date.

**Section 15. Co-owner Maintenance.** Each Co-owner shall maintain the Unit he owns and any Limited Common Elements appurtenant to it for which the Co-owner has maintenance responsibility, in a safe, clean and sanitary condition and in full compliance with applicable law, rule and regulation. Each Co-owner shall also use due care to avoid damaging any of the Common Elements, specifically including but not limited to, telephone, gas, plumbing, electrical or other utility conduits and systems and any other elements in or upon any Unit or which are appurtenant to any Unit or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by the Co-owner or the Co-owner's family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association; in which case, there shall be no such responsibility, unless reimbursement to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article X hereof; and such Co-owner shall be responsible for any deductible contained in the applicable insurance.

**Section 16. Right of Access of Association.** The Association or its duly authorized agents, or the Developer, during the Construction and Sales Period, shall have access to each Unit, improvements constructed on the Unit and any Limited Common Elements appurtenant to the Unit, at all times without notice as may be necessary to make emergency repairs to prevent damage to another Unit; provided, however, that the Association and its

agents, or the Developer, during the Construction and Sales Period, shall be entitled to enter a residential dwelling only in the event of circumstances which are life endangering or which threaten substantial damage to the Common Elements or adjacent Units. The Association or Developer may gain such required access in such manner as is reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his Unit, improvements on the Unit and any Limited Common Elements appurtenant to the Unit caused by such emergency access.

**Section 17. Reserved Rights of Developer.** None of the restrictions contained in this Article XII shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Construction and Sales Period, or of the Association in furtherance of its powers and purposes. For the purposes of this section, the Construction and Sales Period shall be deemed to continue so long as the Developer owns any Unit which the Developer offers for sale. Until all Units in the entire planned Condominium are sold by the Developer, the Developer shall have the right to maintain a sales office, a business office, a construction office, models, storage areas, reasonable parking incident to the foregoing and such access to, from and over the Condominium as may be reasonably necessary to enable sale of the entire Condominium Project by the Developer. The Developer shall restore the areas so utilized to habitable status upon termination of use.

**Section 18. Enforcement of Bylaws.** The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws throughout the Construction and Sales Period, which right of enforcement shall include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

#### ARTICLE XIII MORTGAGES

**Section 1. Notice to Association.** Any Co-owner who mortgages a Unit shall notify the Association of the name and address of the Mortgagee, and the Association shall maintain such information in a book maintained solely for such information. The Association may, at the written request of the Mortgagee of any Unit, report

any unpaid assessments due from the Co-owner of such Unit. The Association shall give the holder of any first mortgage covering any Unit in the Condominium written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within sixty (60) days.

**Section 2. Insurance Information to Mortgagees.** The Association shall notify each Mortgagee appearing in said book of the name of each company insuring the Condominium against fire and extended coverage, vandalism, malicious mischief and liability insurance on the Common Elements and the amounts of such coverage.

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

#### ARTICLE XIV AMENDMENTS TO CONDOMINIUM BYLAWS

**Section 1. Amendment in General.** The Condominium Bylaws (Articles XI through XVII, inclusive) may be amended by the Association or by the Developer in the manner provided in the Master Deed. Any amendment to these Bylaws shall become effective upon recordation in the office of the Register of Deeds for Clinton County. A copy of each amendment to these Bylaws shall be made available to every member of the Association after adoption; provided, however, that any amendment that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium, irrespective of whether such persons actually receive a copy of the amendment. These Bylaws may not be amended in any manner to eliminate or conflict with any provision of the Master Deed, nor may they be amended to materially reduce or eliminate the rights of any first Mortgagees without the consent of the Mortgagees affected. Any such amendments shall be in conformity with applicable local, state and federal law and ordinance.

**Section 2. Developer and First Board of Directors.** Prior to the First Annual Meeting of Co-owners, these Condominium Bylaws may be amended by the Developer or the first Board of Directors without the approval of any Person, so long as such amendments do not conflict with mandatory provisions of the Act or any applicable law or any provision of the Master Deed and so long as such amendment does not materially reduce or eliminate the rights of a Mortgagee of Co-owner without the consent of such Mortgagee or Co-owner.

**Section 3. By Association.** The Condominium Bylaws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of sixty-

six and two-thirds (66-2/3%) percent or more of all Co-owners. No consent of Mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such Mortgagees, in which event the approval of sixty-six and two-thirds (66-2/3%) percent of the Mortgagees shall be required, with each Mortgagee to have one (1) vote for each mortgage held. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by one-third (1/3) or more of the Co-owners by instrument in writing signed by them.

**Section 4. Effective Date.** Any amendment to the Condominium Bylaws shall become effective upon recording of such amendment with the Clinton County Register of Deeds.

**Section 5. Binding Nature of Amendment.** A copy of each amendment to the Bylaws shall be furnished to every Member of the Association after adoption; provided, however, that any amendment to these Condominium Bylaws that is adopted in accordance with this Article shall be binding upon all Persons who have an interest in the Project irrespective of whether such Persons actually receive a copy of the amendment.

#### ARTICLE XV DESIGN COMMITTEE

**Section 1. Membership.** There shall be a Design Committee consisting of three (3) members, of which at least one (1) member shall be appointed by the Developer, until such time as the last Unit is sold by Developer. Other than being a Co-owner, no qualifications shall be required for membership on the Design Committee. Each member shall hold office until such time as such person has resigned or has been removed or a successor has been appointed.

**Section 2. Right of Appointment and Removal.** Pending the Transitional Control Date, the Design Committee shall be comprised solely of the Developer, or its designee(s). Subsequent to the Transitional Control Date, the Association shall have the right from time to time to appoint and remove members, except that the Developer's appointee shall remain as such during the Construction and Sales Period. Any member of the Design Committee may at any time resign from that committee upon written notice delivered to the Developer, or to the Association, whichever of them has the right to appoint and remove such member.

**Section 3. Summary of Design Committee Duties.** It shall be the duty of the Design Committee to consider and act upon such proposals or plans from time to time submitted to it pursuant to the architectural control provisions of the Condominium Bylaws, and to adopt Design Committee Rules pursuant to the concepts contained in the architectural control provisions of the Condominium Bylaws,

and to perform such other duties from time to time delegated to it by the Developer or Association, whichever then has the right to appoint and remove members of the committee.

The vote or written consent of any two members of the committee shall constitute the act of the committee.

The Design Committee shall maintain a reasonable record of all actions from time to time taken by the committee at its meetings and otherwise. Members of the Design Committee shall not receive any compensation for service rendered, but all members of the committee shall be entitled to reimbursement for reasonable expenses incurred by them in connection with the performance of their duties.

**Section 4. Design Committee Rules.** The Design Committee may from time to time adopt and amend rules and requirements, so long as those rules and requirements do not conflict with the architectural control provisions of this document or the Planned Development Agreement existing between the Developer and the Township of Bath, and so long as there is no conflict with any other applicable law, rule or regulation. Such rules and requirements will serve as additional standards for the construction and aesthetics of buildings and improvements to be constructed and maintained on and within Units within Meadowbrook Condominium Project. A copy of all such Design Committee requirements and rules, as they may from time to time be adopted or amended, shall be available at reasonable times at the office of the Association for the inspection of any prospective owner, Co-owner, or architect or agent of such person, and copies may be made available at a nominal cost. The rules may be amended from time to time by a unanimous vote, or written consent of all of the members of the Design Committee. Pending the Transitional Control Date, the rules and requirements will be created by the Developer, or its designee.

**Section 5. Non-Waiver.** The approval by the Design Committee of any plans and specifications of any work done or proposed in connection with matters requiring the approval of the Design Committee shall not be deemed to constitute a waiver of any right to withhold approval as to any similar plan, drawing, specification subsequently or additionally submitted for approval.

**Section 6. Liability of Committee.** Neither the Design Committee nor any member of it shall be liable to the Association or to any Co-owner or to any other person for any damage or loss claimed or suffered on account of (a) the approval or disapproval of any plans, drawings, and specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to appropriate plans, drawings and specifications or (c) the development or manner of development within the Meadowbrook Condominiums Project; provided, however, that such



committee member has, with the actual knowledge possessed by him, acted in good faith. In the above regard, the Design Committee, or any member of it, may, but is not required to, consult with or hear the Association, any Co-owner or any Co-owner's architect with respect to any plans, drawings or specifications or any other proposals submitted in writing to the Design Committee.

**Section 7. Absence of Committee.** If for any reason the Design Committee either is not created or, once created, ceases to exist, if same occurs prior to the Transitional Control Date, then all matters requiring such approval or action shall be submitted to the Developer. If same occurs subsequent to the Transitional Control Date, then all matters requiring such approval or action shall be submitted to the Board of Directors of the Association who may act on such request as a body or through an individual Board member or committee established by the Association for such purpose. In the event of such happening regarding submission to the Board of Directors, the Board shall be entitled to employ an architect or engineer to render technical advice and to receive reasonable compensation for his services.

**Section 8. Required Procedure to Obtain Approval by Design Committee.** As stated previously in the architectural control provisions of the Condominium Bylaws, absolutely no work on or alteration (including but not limited to a change of color scheme) of any structure located on a Condominium Site Unit, and no construction of any dwelling, landscaping or improvement on any Unit shall occur without approval of the Design Committee, if active, or if not active, either the Developer (prior to the Transitional Control Date) or the Association. Assuming that a Design Committee is in place, any Co-owner desiring to perform any work for which such approval is a requirement shall do the following:

(a) Submit preliminary plans showing in detail the dimensions and nature of the subsequent improvements. The committee shall review any such preliminary plans within thirty (30) days after the submission of them and shall return such plans to the Co-owner with written notation as to approval or disapproval. If the plans are disapproved, the general nature of the objection shall be indicated in writing. Failure to make such return within the thirty (30) days period shall be deemed as an approval of such preliminary plans. Preliminary plans should include but are not necessarily limited to the following:

(1) **Site Plan.** A plan to scale, showing building placement, roof overhangs, building square footage, finish floor elevations with adjacent exterior corner grade elevations, drainage design, preliminary grades,

conceptual landscape plan, driveway, retaining walls, fences, decks, patios, easements, building setbacks, utility hookups, and color scheme.

(2) Floor Plan. A scale plan (1/4 inch equals 1 foot) of each floor of any affected structure.

(3) Elevations. A scale plan (1/4 inch equals 1 foot) showing all exterior building elevations with description of materials and colors to be used.

(4) Sections. A scale plan (1/4 inch equals 1 foot) showing site and building cross sections with elevations and roof height elevations notes.

(5) Material. Samples to be furnished of the building materials to be used, as requested by the Design Committee.

Note: Such review of preliminary plans alone shall not be construed as approval. Approval of preliminary plans, whether by actual approval or deemed approval, shall not be construed as approval of final plans and specifications of the proposed work.

(b) Following approval of preliminary plans and still prior to commencement of any actual construction or work on the site, the Co-owner shall submit in duplicate the final plans and specifications of the proposed work, including a site plan (showing easements, setback and contour lines, floor plans, roof plans, elevations and sections), the proposed drainage plan, a landscaping plan, and plans showing the location of all proposed utility installations. The Co-owner shall also provide the committee with the proposed construction schedule. The committee shall require that the submission of final plans and specifications be accompanied by a reasonable fee for the inspection of them. The final plans and specifications shall also reflect all exterior materials, finishes, and colors to be used. Final plans shall include but not necessarily be limited to complete final working drawings for building and site work, landscape and irrigation plans and building specifications.

**Section 9.** The Design Committee shall review such final plans and specifications and either approve or disapprove such plans in writing within thirty (30) days. Any disapproval shall set forth in

writing the reasons for disapproval. Failure by the committee to either approve or disapprove final plans within the thirty (30) days shall be deemed approval of the final plans. On written request of a Co-owner, the chairman or any member of the Design Committee shall give to the Co-owner a certificate in writing evidencing the approval of any plans which have been so approved.

**Section 10.** Any approval obtained from the Design Committee shall be effective for a period of one (1) year from date of approval and shall be deemed revoked if the Co-owner has not actually commenced work within said one (1) year period and thereafter fails to complete the approved improvements with reasonable diligence. If the Co-owner does not commence performance within the said one (1) year period, the Co-owner shall be required to either apply for an extension of the approval or resubmit final plans and specifications for approval. In such event, the Design Committee shall not be bound by any previous decision in re-reviewing such plans and specifications but shall either grant a reasonable extension or approve or disapprove in writing with thirty (30) days after such resubmission.

**Section 11.** Upon completion of any approved work, the Co-owner shall give written notice to the committee. The committee shall, within fifteen (15) days, inspect such work to determine whether it was completed in substantial compliance with the approved plans and specifications. If the Design Committee determines that such work was not done in substantial compliance with approved plans and specifications, it shall provide written notice to the Co-owner and require the Co-owner to remedy such non-compliance. If the Co-owner fails to remedy such non-compliance within sixty (60) days from the date of such notice, or such longer time as may be granted by the committee, provided that the owner has not in good faith commenced remedial action within the sixty (60) day period, the Design Committee shall notify the Association of such failure. In such event, the Association shall either remove the improvement or remedy the non-compliance, at the expense of the Co-owner and, in such event, the Co-owner shall promptly reimburse the Association for all expenses so incurred. If for any reason the Design Committee fails to notify the Co-owner of any such non-compliance within thirty (30) days after receipt such notice of completion from the Co-owner, the improvement shall be deemed to have been completed in substantial compliance with the approved plans and specifications.

**Section 12.** The Design Committee shall have no power, either deliberately or through inadvertence, to vary any of the requirements, standards and restrictions set forth in the Condominium Documents or imposed by applicable ordinance or law and, in such event, the Association or any other owner shall have the right to commence and pursue any remedy provided by the Condominium Documents or applicable law for the violation by a Co-owner of any such provision.

**ARTICLE XVI  
COMPLIANCE**

The Association of Co-owners and all present and future Co-owners, tenants, future tenants, or any other Persons acquiring an interest in or using the facilities of the Condominium in any manner are subject to and shall comply with the provisions of the Act, Master Deed, the Bylaws, the Articles of Incorporation of the Association and the rules and regulations of the Condominium. The acquisition, occupancy or rental of any Unit or the dwelling located thereon or any interest in a Unit or the utilization of, or entry upon the Condominium Premises shall signify that the Condominium Documents are accepted and ratified. In the event that such Master Deed, 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 Master Deed, the Master Deed shall govern.

**ARTICLE XVII  
DEFAULT AND REMEDIES FOR DEFAULT**

Section 1. Any default by a Co-owner shall entitle the Association or another Co-owner or Co-owners to the following relief:

(a) **Legal/Equitable Action.** Failure to comply with any of the terms or provisions of the Master Deed, these Bylaws, the Articles of Incorporation, or the regulations of the Association shall be grounds for relief, which may include, without limitation, an action to recover sums due for damages, injunctive relief, foreclosure of lien, (if default in payment of assessment) or any combination thereof; and such relief may be sought by the Association, or, if appropriate, by an aggrieved Co-owner or Co-owners.

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

(c) **Removal and Abatement.** The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights as set forth above, to enter upon the Common Elements or any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner, any structure, thing or condition existing or maintained contrary to the

provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

(d) **Assessment of Fines.** The violation of any of the provisions of the Condominium Documents, including any duly adopted rules and regulations, by any Co-owner, occupant or guest, shall be grounds for assessment of monetary fines for such violations against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted to the Condominium Premises through such Co-owner. Upon any such violation being alleged by the Board, the following procedures will be followed:

(1) **Notice.** Notice of the violation, including reference to the provision of the Condominium Documents violated and a factual description of the alleged offense with reasonable specificity, shall be sent by first class mail, postage prepaid, or personally delivered to the Co-owner or his representative at the address shown in the notice required of Co-owners pursuant to these Condominium Bylaws.

(2) **Opportunity to Defend.** The alleged offending Co-owner shall have an opportunity to appear before the Board, or a committee designated by the Board, and offer evidence in defense of the alleged violation. The appearance before the Board or its designated committee shall be at its next scheduled meeting, or a special meeting called for this purpose, but in no event shall the Co-owner be required to appear less than ten (10) days from the date of the notice.

(3) **Default.** Failure by the affected Co-owner to respond to the notice of violation shall constitute a default.

(4) **Appearance and Decision.** Upon appearance by the affected Co-owner before the Board or its committee and presentation of evidence of defense, or, in the event of the Co-owner's default, the Board or its committee shall, by majority vote of a quorum of the

Board, decide whether a violation has occurred. The Board's decision is final.

(5), Amount of Fines. Upon violation of any of the provisions of the Condominium Documents and after default of the offending Co-owner or upon the decision of the Board or its committee as set forth above, the following fines shall be levied: for the first violation, a written warning notice will be issued to the Co-owner and no fine shall be levied; for the second violation, a Twenty-Five (\$25.00) Dollar fine shall be levied; for the third violation, a Fifty (\$50.00) Dollar fine shall be levied; for the fourth and subsequent violations, a One Hundred (\$100.00) Dollar fine shall be levied.

(6) Continuing Violations. In the event that a violation continues beyond (10) days from the date of the meeting scheduled to create an opportunity to defend, or if a defense is presented ten (10) days from the date at which the Board determines that a violation has occurred, the continuing violation will be treated as a separate and subsequent violation and new and increased fines may be levied on each occasion of any subsequent violation determination without the necessity of a further opportunity to defend or other hearing.

(7) Collection. The fines levied pursuant to these provisions shall be assessed against the offending Co-owner and shall be due and payable together with the regular condominium assessment when that next assessment is due, or within thirty (30) days of the levying of such fine, whichever event first occurs. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents and all remedies available to the Association set forth in the Condominium Documents, including the right to impose a lien on the Co-owner's Unit. If such fine is not paid within said thirty (30) day period, the Association may collect such fine in the manner provided for collection of a delinquent assessment.

Section 2. Non-Waiver of Right; Cumulative Rights, Remedies and Privileges. The failure of the Association or of any Co-owner

to enforce any right, provision, covenant or condition which may be granted by the Master Deed, these Bylaws, the Articles of Incorporation, or rules and regulations of the Association shall not constitute a waiver of the right of the Association or any such Co-owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Master Deed, Bylaws, Articles of Incorporation or regulations 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 any 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 3. Enforcement of Provisions of Condominium Documents.**

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

**ARTICLE XVIII  
DEFINITIONS**

All terms used in the Condominium Bylaws and other Condominium Documents shall have the same meaning as set forth in the definitional section of the Master Deed to which these Condominium Bylaws are attached as an exhibit, or as such terms are used in the Act.

**ARTICLE XIX  
RIGHTS RESERVED TO DEVELOPER**

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action and any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such powers and rights, and such assignee or transferee shall there upon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or granted to the Developer or its successors shall terminate, if not sooner assigned to the Association, at the conclusion of the Construction and Sales Period, as defined in Article IV of the Master Deed. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve

and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents, which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

**ARTICLE XX  
SEVERABILITY**

In the event that any of the terms, provisions, or covenants of the Master Deed, these Bylaws, the Articles of Incorporation or regulations of the Association 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 Master Deed, Bylaws or Articles or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

**ARTICLE XXI  
CONFLICTING PROVISIONS**

In the event of a conflict between the provisions of the Act (or other laws of the State of Michigan) and any Condominium Document, the Act (or other laws of the State of Michigan) shall govern. In the event of any conflict between the provisions of any one or more Condominium Documents, the following order of priority shall prevail, and the provisions of the Condominium Document having the highest priority shall govern:

- (1) the Master Deed, including the Condominium Subdivision Plan;
- (2) these Condominium Bylaws;
- (3) the Articles of Incorporation of the Association;
- (4) the Bylaws of the Association; and
- (5) the Rules and Regulations of the Association.

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