

BYLAWS OF HICKORY HILLS CONDOMINIUM

ARTICLE I ASSOCIATION OF CO-OWNERS

Hickory hills condominium, a residential condominium located in the township of Oceola, County of Livingston, State of Michigan, shall be administered by an Association of Co-Owners which shall be a nonprofit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Master Deed, these Bylaws and Articles of Incorporation, and duly adopted rules and regulations of the Association, and the laws of the state of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-Owner, including the Developer, shall be a member of the Association and no other person or entity shall be entitled to membership. The share of a Co-Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit in the Condominium. A Co-Owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve or other asset of the Association. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Condominium Documents for the Condominium available at reasonable hours to Co-Owners, prospective purchasers and prospective mortgagees of Units in the Condominium. All Co-Owners in the Condominium and all persons using or entering upon or acquiring any interest in any Unit therein the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

ARTICLE II ASSESSMENTS

All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the

Condominium Documents and the Act shall be levied by the Association against the Units and the Co-Owners thereof in accordance with the following provisions:

Section: 1. Assessments for Common Elements. All costs incurred by the Association-in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute expenditures affecting the administration of the Condominium, and all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the Co-Owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall constitute receipts affecting the administration of the Condominium, within the meaning of Section 54(4) of the Act.

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

(a) BUDGET. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a unit Co-Owner's obligation to pay the allocable share of the common expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget each Unit Co-Owner shall continue to pay each periodic installment at the periodic rate established for the previous fiscal year until notified of the periodic payment which is due more than ten (10) days after such new annual or adjusted budget is adopted. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular periodic payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's

current annual budget on a noncumulative basis. Since the minimum standard required by this Section may prove to be inadequate for this particular Condominium, the Association of Co-Owners should carefully analyze the Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each Co-Owner and the assessment for said year shall be established based upon said budget, although the delivery of a copy to the budget to each Co-Owner shall not affect the liability of any Co-Owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation, management, maintenance and capital repair of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding Twenty Five Thousand (\$25,000.00) Dollars, in the aggregate, annually or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional or special assessment or assessments without approval as it shall deem to be necessary. The Board of Directors shall also have the authority, without Co-Owner consent, to levy assessment pursuant to the provisions of Article V, Section 4 hereof. The discretionary authority of the Board of Directors to levy general, additional or special assessments pursuant to this subsection shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

(b) SPECIAL ASSESSMENTS. Special assessments, other than - those referenced in, subsection (a) of section 2, may be made by the Board of Directors from time to time and approved by the Co-Owners as hereinafter provided, to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of an aggregate cost exceeding. \$25,000.00 per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subsection (b) (but not

including those assessments referred to in subsection 2(a) above which may be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than fifty one (51%) percent of all Co-Owners. The authority pursuant solely to levy assessments to this subsection is for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof.

Section 3. Apportionment Assessments: Default in Payment. Unless otherwise provided herein, all assessments levied against the Co-Owners to cover expenses of administration shall be apportioned among and paid by the Co-Owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Any unusual expenses of administration which benefit less than all of the Condominium Units in the Condominium may be specially assessed against the Condominium Unit or Condominium units so benefited and may be allocated to the benefited Condominium unit or units in the proportion which the percentage of value of the benefited Condominium Unit bears to the total percentages of value of all Condominium units so specially benefited. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by the Co-owners in quarterly or other periodic installments commencing with acceptance of a Deed to, or a land contract purchaser's interest in, a Unit, or with the acquisition of fee simple title to a unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. A late charge in the amount of \$10.00, or such other amount as may be determined by the Board of Directors effective upon fifteen (15) days notice to the members of the Association, shall be assessed automatically by the Association upon any assessment in default until paid in full. Such late charge shall not be deemed to be a penalty or interest upon the funds due to the Association but is intended to constitute a reasonable estimate of the administrative costs and other damages incurred by the Association in connection with the late payment of assessments. Assessments in default shall bear interest at the rate of seven (7%) percent per annum or such higher rate as may be allowed by law until paid in full. Each Co-owner (whether one or more persons) shall be,

and remain personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof. In addition to a Co-owner who is also a land contract seller, the land contract purchaser shall be personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to the subject Condominium unit which are levied up to and including the date upon which the land contract seller actually takes possession of the unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied first, to any late charges on such installments; second, to costs of collection and enforcement of payment, including reasonable attorney's fees and finally to installments in default in order of their due dates, earliest to latest.

Section 4. Waiver of use or Abandonment of Unit:

Uncompleted ReDair Work! No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements, or by the abandonment of his Unit, or because of uncompleted repair work, or the failure of the Association to provide service to the Condominium.

Section 5. Enforcement. 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, or both in accordance with the Act. Pursuant to Section 139 of the Act, no Co-owner may assert in answer or set-off to a complaint brought by the Association or its agents have not provided the services or management to the Co-owner. Each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclosure foreclosure such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest

in the Condominium, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. The Association, acting on behalf of all Co-Owners, may bid in at the foreclosure sale, and acquire, hold, lease, mortgage or convey the Condominium Unit. ", Each Co-owner of a unit in the Condominium acknowledges that at the time of acquiring title to such unit, he was notified of the provisions of this Section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject unit. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address of a written notice that one or more installments of the annual assessment and/or a portion or all of a special assessment levied against the pertinent unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written Affidavit of an authorized representative of the Association that sets forth (i) the Affiant's capacity to make the Affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record.. Such Affidavit shall be recorded in the office of the Register of Deeds in the County in which the Condominium is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the Co-owner and shall inform the Co-owner that he may request a judicial hearing by bringing suit against the Association.

The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his unit. In the event of default by any Co-owner in the payment of any, installment of the annual assessment levied against his unit, and/or in the event of default by any Co-owner in the payment of any installment and/or portion of any special assessment levied against his Unit, or any other obligation of a Co-owner which, according to these bylaws, may be assessed and collected from the responsible Co-owner in the manner provided in Article II herein, the Association shall have the right to declare all unpaid installments of the annual assessment for the applicable fiscal year (and for any future fiscal year in which said delinquency continues) and/or all unpaid portions or installments of the special assessment, if applicable, immediately due and payable. The Association also may discontinue the furnishing of any utility 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 utilize any of the General Common Elements of the Condominium, shall not be entitled to vote at any meeting of the Association, and shall not be entitled to run for election as a director or be appointed an officer of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him as provided by the Act.

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

Section 7. Developer's Responsibilities for Assessments. The Developer of the Condominium, although a member of the Association, shall not be responsible at any time for payment of the Association assessments, except with respect to completed and occupied Units that it owns. A completed unit is one with respect to which a Certificate of Occupancy has been issued by the Township of Oceola, or its designate. Certificates of Occupancy may be obtained by the Developer at such times prior to actual occupancy as the Developer, in its discretion, may determine. An occupied unit is one which is occupied as a residence. The Developer shall- independently pay all direct costs of maintaining completed units for which it is not required to pay Association assessments and shall not be responsible for any payments whatsoever to the Association in connection with such units. The Developer shall not be responsible at any time for payment of Condominium assessments or payment of any expenses whatsoever with respect to unbuilt units notwithstanding the fact that such unbuilt units may have been included in the Master Deed. 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, its directors, officers, principals, affiliates and/or the first Board of Directors of the Association or any directors of the Association appointed by the Developer, or any cost of investigating and preparing such litigation or claim or any similar or related costs.

Section 8. ProDerty 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 9 ~ Water- and Sewer Assessments '0 The individual owners shall be responsible for any water and/or sewer assessments levied by the pertinent governmental authority against the respective units in the Condominium.

Section 10. 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, and personal property taxes based thereon shall be treated as expenses of administration.

Section 11. Mechanic's Lien. A mechanic's lien otherwise arising under Act No. 479 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

Section 12. Statement as to Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any Condominium unit may request a statement of the Association as to the outstanding amount of any unpaid Association assessments thereon, whether regular or special, and related collection costs. 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 the Unit, the Association shall provide a written statement of such unpaid assessments and related collection costs as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessment 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 together with interest, costs, and attorneys' fees incurred in the collection thereof, and the lien securing same fully enforceable against such purchaser and the unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record. The Association may charge such reasonable amounts for preparation of such a statement as the Association shall, in its discretion, determine.

ARTICLE III **ARBITRATION**

Section 1. Scope and Election. Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners, or between a Co-owner(s) 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, if applicable, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding; provided that no question

affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration. Any agreement to arbitrate pursuant to the provisions of this Article III, Section 1 shall include an agreement between the parties that the judgment of any Circuit Court of the State of Michigan may be rendered upon any award rendered pursuant to such arbitration.

Section 2. Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 1 above, no Co-owner or the Association shall be precluded from petitioning the Courts to resolve any such disputes, claims or grievances.

Section 3. Election of Remedies. Election by the parties to any such disputes, claims or grievances to submit such disputes, claims or grievances to arbitration shall preclude such parties from litigating such disputes, claims or grievances to the Courts.

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Section 4. Co-owner Approval for Civil Actions Against Developer and First Board of Directors. Any civil action proposed by the Board of Directors on behalf of the Association to be initiated against the Developer, its agents or assigns, and/or the First Board of Directors of the Association, for any reason, shall be subject to approval by a vote of fifty-one (51%) percent of all Co-owners, and notice of such proposed action must be given in writing to all Co-owners.

ARTICLE IV **INSURANCE**

Section 1. Extent of Coverage. The Association shall, to the extent appropriate, given the nature of the Common Elements of the Project, carry a standard "all risk" insurance policy, which includes, among other things, fire and extended coverage, vandalism and malicious mischief, and liability insurance, in a minimum amount to be determined by the Developer or the Association, in its discretion, but in no

event less than One Million (\$1,000,000.00) Dollars per occurrence, officers' and directors' liability insurance, and worker's compensation insurance, if applicable, and any other insurance the Association may deem applicable, desirable or necessary, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium. The Association, through its Board of Directors, or the Developer, prior to the First Annual Meeting, may elect to undertake the responsibility for obtaining such insurance specifically described above, pertinent to the ownership, use and maintenance of all unit dwellings and their appurtenant Limited Common Elements, if any, exclusive of insurance covering the contents within a Co-owner's residence, and the cost of the insurance shall be included as an expense of administration in the Association budget; however, the Association shall under no circumstances have any obligation to obtain such insurance, nor have any liability to any person for failing to do so. All Co-owners shall be notified of the Board's election to obtain such insurance at least sixty (60) days prior to its effective date. Co-owners may obtain supplementary insurance, but in no event shall any such insurance coverage undertaken by a Co-owner permit a Co-owner to withhold payment of his share of the Association assessment that relates to the equivalent insurance carried by the Association. The Association shall not reimburse Co-owners for the cost of premiums resulting from the early cancellation of an insurance policy.

Such insurance, other than title insurance, shall be carried and administered in accordance with the following provision:

a) Responsibilities of Association and of 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, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners. Unless the Co-owners are notified in writing that the Association is carrying the following described insurance coverage, each Co-owner shall be responsible for obtaining a standard "all risk" insurance policy, which includes, among other things, fire and extended coverage and vandalism and malicious mischief insurance, and liability insurance with respect to his residential dwelling, interior and exterior, and on all other improvements constructed or to be constructed within

his Condominium Unit perimeter, together with Limited Common Elements, if any, appurtenant to his Unit, whether located within or outside the perimeter of his Unit. Notwithstanding any insurance coverage that may be maintained by the Association, at all times each Co-owner shall be responsible for obtaining a standard "all risk" insurance policy, which includes, among other things, fire and extended coverage and vandalism and malicious mischief insurance, and liability insurance, with respect to his personal property located within or outside of his Condominium unit perimeter, on any Limited Common Elements or elsewhere in the Condominium, and also for alternative living expense in the event of fire. 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. In the event of the failure of a Co-owner to obtain such insurance, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefore shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner the Association assessments are collected in accordance with Article II above. Unless the Co-owners are notified in writing that the Association is carrying the following described insurance coverage, each Co-owner shall also be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of his Condominium Unit or within the residential dwelling located thereon, and on Limited Common Elements, if any, appurtenant thereto, regardless of where located. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this subsection (a) to be the responsibility of the Co-owner to obtain, nor shall the Association have any liability to any person for failure to do so. Each Co-owner shall file a copy of such insurance policy, or policies, including all endorsements thereon, or in the Association's discretion, certificates of insurance or other satisfactory evidence of insurance, with the Association in order that the Association may be assured that such insurance coverage is in effect. The Association, as to all policies which it obtains, and all Co-owners, as to all policies which they obtain, shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

(b) Insurance of Common Elements. All common elements of the Condominium and, if the Developer or the Board of Directors has elected to carry insurance coverage on the Condominium Units and their improvements and appurtenant limited common elements, such Condominium units and their appurtenant limited common elements, shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with the Association's insurance "carrier -and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall be effected upon an agreed-amount basis for the entire Condominium with appropriate inflation riders in order that no co-insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total destruction if the insurance proceeds failed, for some reason to be equal to the total cost of replacement). All information in the Association's records regarding insurance coverage shall be made available to all co-owners upon request and reasonable notice during normal business hours so that co-owners shall be enabled to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly constituted meeting, to change the nature and extent of any applicable coverages, if so determined. Upon such annual re-evaluation and effectuation of coverage, the Association shall notify all co-owners of the nature and extent of all changes in coverages.

(c) Premium Expense. All premiums on insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the co-owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the

Association as a result of any loss requiring the repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than 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. Authority of Association to Settle Insurance Claims. Each co-owner, by ownership of a unit in the condominium, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of a standard "all risk" policy, including, among other things, fire and extended coverage, vandalism and malicious mischief, and liability insurance and workers' compensation insurance, if applicable, pertinent to the Condominium Project and the common elements thereof with such insurer as may, from time to time, provide such insurance for the Condominium Project and, if the Developer or the Board of Directors has so elected to carry such insurance pertinent to the Condominium Units, their improvements constructed thereon and their appurtenant limited common elements, then in such case with respect to such insurance coverage. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit; premiums therefor, to collect proceeds and to distribute same to the Association, the co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such co-owners and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE V
RECONSTRUCTION OR REPAIR

Section 1. Responsibility for Reconstruction or Repair. In the event any part of the Condominium property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) One or More Units Tenantable. In the event the damaged property is a common element or the dwelling constructed within the perimeter of a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by unanimous vote of all of the co-owners in the Condominium that the Condominium shall be terminated and each institutional holder of a first mortgage lien on any Unit in the Condominium has given its prior written approval for such termination.

(b) No unit Tenantable. In the event the Condominium is so damaged that no unit is tenantable, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless eighty (80%) percent or more of all of the co-owners agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. Repair in Accordance with Master deed. Etc. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the Condominium to a condition as comparable as possible to the condition existing prior to damage unless the co-owners shall unanimously decide otherwise.

Section 3. Co-owner and Association Responsibilities. In the event the damage is to a dwelling or other improvement constructed within the perimeter of a Unit or a limited common element, if any, appurtenant thereto, which is the responsibility of a co-owner to maintain, repair and replace, it shall be the responsibility of the co-owner to reconstruct, maintain, repair and replace the damaged structural elements contained within the perimeter of his Unit, and all limited common elements appurtenant to the unit. In all other cases, the responsibility for reconstruction and repair shall be that of the Association. In the event that a co-owner fails or neglects to maintain the exterior component of his unit in an aesthetic and/or harmonious manner-as may from time to time be established by the Association in duly adopted regulations promulgated by the Board of Directors pursuant to its authority set forth in Article VI, Section 12 of these Bylaws, the Association shall be entitled to effect such maintenance to the unit and to assess the co-owner the costs thereof and to collect such costs as part of the assessments under

Article II of these Bylaws. Each co-owner shall be responsible for the reconstruction, maintenance and repair of the interior of the dwelling constructed within the perimeter of his Unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls, interior trim, furniture, light fixtures and all appliances, whether free standing or built in. In the event damage to a Condominium unit dwelling structure or to any limited common elements appurtenant thereto is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with section 4 of this Article V. If and to the extent that any Condominium unit dwelling structure or limited common element is covered by insurance held by the Association for the benefit of the co-owner, the co-owner shall be entitled to receive the proceeds of insurance relative thereto, and if there is a mortgagee jointly. In the event of substantial damage to or destruction of any unit or any improvements thereon, or any part of the common elements, the Association promptly shall notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 4. Association Responsibility for Repair. Except as provided in Section 3 hereof, the Association shall be responsible for the maintenance, repair and reconstruction of the common elements (except as specifically otherwise provided in the Master Deed). Immediately after a casualty causing damage to property for which the Association has the responsibility for maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

Section 5. Timely Reconstruction and Repair. If damage to common element or a unit adversely affects the appearance of the Condominium, the Association or co-owner responsible

for the reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay, and shall complete such replacement within six (6) months after the date of the occurrence which caused damage to the property.

Section 6. Eminent Domain. Section 133 of the Act and the following shall control upon any taking by eminent domain:

(a) Taking of Entire unit. In the event of any taking of an entire unit by eminent domain, the award for such taking shall be paid to the owner of such unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the owner and his mortgagee, they shall be divested of all interest in the Condominium. In the event that any condemnation award shall become payable to any co-owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the co-owner and his mortgagee, as their interests may appear.

(b) Taking of Common Elements. If there is any taking of any portion of the Condominium other than any Unit, 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 all of the co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) Continuatuin of Condominium After Taking. In the event the Condominium continues after taking by eminent domain, then the remaining portion of the Condominium shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining co-owners based upon the continuing value of the Condominium of one hundred (100%) percent. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any co-owner.

(d) Notificac~ion of Mortgages. In the event any Unit in the Condominium, 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

Section 7. Mortgages Held By FHLMC: Other Institutional Holders. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefor by FHLMC, the Association shall give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the *Condominium if the loss or taking exceeds \$10,000.00 in amount or if damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00.* The Association shall provide such other reasonable notice as may be required, from time to time, by other institutional holders of mortgages upon Units.

Section 8. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit 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 Condominium Unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI **RESTRICTIONS**

In order to provide for congenial occupancy of the Condominium, all of the units in the Condominium shall be held, used and enjoyed subject to the following limitations and restrictions:

Section 1. Residential Use. Each unit in the Condominium shall be occupied by a single family only, and shall not be used for other than single-family purposes and the Common Elements shall only be used for purposes consistent with those set forth in this Section 1. No Unit shall be used for commercial or business offices. The provisions of this Section shall not be construed to prohibit a Co-owner from maintaining a personal professional library, keeping

personal, professional or business records or handling personal business or professional telephone calls in that Co-owner's Unit.

Section 2. Leasing and Rental.

(a) Right to Lease. A Co-owner may lease his Unit for the same purposes set forth in Section 1 of this Article VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b) below. No Co-owner shall lease less than an entire Unit in the Condominium and no tenant shall be permitted to occupy except under a written lease, the initial term of which is at least twelve (12) months, unless specifically approved in writing by the Association. Such written lease shall (i) require, the lessee to comply with the Condominium Documents and rules and regulations of the Association, (ii) provide that failure to comply with the Condominium Documents and rules and regulations constitutes a default under the lease, and (iii) provide that the Board of Directors has the power to terminate the lease or to institute an action to evict the tenant and for money damages after fifteen (15) days prior written notice to the Condominium Unit Co-owner, in the event of a default by the tenant in the performance of the lease. The Board of Directors may suggest or require a standard form lease for use by Unit Co-owners. Each Co-owner of a Condominium unit shall, promptly following the execution of any lease of a Condominium Unit, forward a conformed copy thereof to the Board of Directors. Under no circumstances shall transient tenants be accommodated. For purposes of this Section 3(a), a "transient tenant" is a non Co-owner residing in a Condominium Unit for less than sixty (60) days, who has paid consideration therefor. 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. Tenants and non Co-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases, rental agreements, and occupancy agreements shall so state. The Developer may lease any number of Units in the Condominium in its discretion.

(b) Leasing Procedures. A Co-owner, including the Developer, desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least ten (10)

days before presenting a lease form to a potential lessee of the unit and, at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. If the Developer desires to rent Units before the Transitional Control Date, it shall notify either the Advisory Committee or each Co-owner in writing.

(c) Violation of Condominium Documents by Tenants or Non Co-owner Occupants. If the Association determines that the tenant or non Co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

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

(2) The Co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or non Co-owner occupant or advise the Association that a violation has not occurred.

(3) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its own behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non Co-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non Co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this subsection may be by summary proceeding. The Association may hold both the tenant or non Co-owner occupancy and the Co-owner liable for any damages caused by the Co-owner or tenant or non Co-owner occupant in connection with the Condominium unit or the Condominium and for actual legal fees incurred by the Association in connection with legal proceedings hereunder.

(d) Arrearage in Condominium Assessments. When a Co-owner is in arrearage to the Association for assessments, the Association 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. The deductions shall not be a breach of the rental agreement or lease by the tenant. The form of lease used by any Co-owner shall explicitly contain the foregoing provisions.

Section 4. Alterations and Modifications of Units and Common Elements. The Developer of the Project intends that there shall be a residential dwelling and certain other improvements within the boundaries of each of the Condominium units *in* the Project *in* conjunction with the sale of such Units to individual Co-owners. With prior written consent by the Developer, a Co-owner may engage the services of a licensed builder other than the Developer to construct improvements (including the residential dwelling) within the boundaries of or appurtenant to a Condominium Unit. In such event, Developer shall be entitled to require that such builder or Co-owner furnish to the Association adequate security, *in* Developer's discretion, to protect the Association against costs and expenses which it might incur *in* connection with the failure to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the dwelling and its appurtenances. All plans and specifications for dwelling, their appurtenances and any other improvements or modifications *in* exterior appearance of Condominium units shall be submitted to, and approved by, the Architectural Control Committee. Prior to the First Annual Meeting, the Architectural Control Committee shall consist of the Developer or its designated representatives. After the First Annual Meeting, the Architectural Control Committee shall consist of the Board of Directors of the Association, or its designated representatives; provided however, that the Developer shall retain the absolute right to reject any proposed plans, specifications, or modifications during the Construction and Sales Period. No one other than Developer shall be entitled to alter the nature or appearance (including color and other exterior appearance) of any improvements constructed within the boundaries of a Condominium unit or the Limited Common Elements, if any, appurtenant thereto without the prior written consent of the Architectural Control Committee *in* its absolute discretion. The Co-owner shall be responsible for the maintenance and repair of any such modification or improvement. In the event that the Co-owner fails to maintain and/or repair said modification or improvement to the satisfaction of the Association, the Association may undertake to maintain and/or repair same and assess the Co-

owner the costs thereof and collect same from the Co-owner *in* the same manner as provided for the collection of assessments *in* Article II hereof. The Co-owner shall indemnify and hold the Association and the Developer harmless from and against any and all costs, damages, and liabilities incurred *in* regard to said modification and/or improvement. **No hedges, trees or substantial plantings or landscaping modifications shall be made, until plans and specifications, acceptable to the Architectural Control Committee, showing the nature, kind, shape, height, material, color, scheme, location and approximate cost of such structure or improvement and the grading Or landscaping plan of the area to be affected shall have been submitted to and approved in writing by Architectural Control Committee, and a copy of said plans and specifications, as finally approved, lodged permanently with the Architectural Control Committee; provided, however, that each Co- owner shall have the right to install plantings and/or landscaping around the foundations of the residential structure within his/her Condominium unit without the approval of the Architectural Control Committee.** Any such plans for construction or alteration referred to above shall include a plan for restoration of the premises after construction or alteration to a condition satisfactory to the Architectural Control Committee. Construction of any dwelling or other improvement must also receive any necessary approvals from the local public authority. The Architectural Control Committee shall have, the right to refuse to approve any such plan or specifications, or grading or landscaping plan which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to construct the same, and the degree of harmony thereof with the Condominium as a whole.

The Architectural Control Committee 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 dwelling and 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 continued maintenance of the Condominium as a beautiful and

harmonious residential development, and shall be binding upon both the Association and upon all Co-owners. Developer's rights under this Article VI, Section 4 may, in Developer's discretion, be assigned to the Association or other successor to Developer. 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 Architectural Control Committee or any other person or entity, subject only to the express limitations contained in the Condominium Documents.

Section 5. Minimum Floor Space and Size. No dwelling shall be built on any unit which has living area floor space of less than the following:

- (a) One story dwelling - 1000 square feet.
- (b) One and one-half story dwelling - 1200 square feet
- (c) Two story dwelling - 1500 square feet.
- (d) Tri-level dwelling - a total of 1200 square feet.
- (e) "Living Area" includes the actual area within the outer surfaces of the outside walls, including any finished living area which is above an enclosed porch or garage but excluding a garage, basement or unheated porch.
- (f) No building shall exceed thirty-five (35) feet in height from the ground level measured from the lowest ground level adjacent to the home to the peak of the roof.

Section 6. Exterior Construction. Exterior walls of all residential structures and garages shall be constructed of brick or stone veneer, wood siding, vertical wooden tongue and groove siding, exterior plywood or other standard exterior siding material. No exterior finishes shall be built of asbestos or asphalt siding or shingles, cement block, or sand line brick. No residential building shall be constructed with a flat roof.

Section 7. Trees and Soil. No trees which exceed six (6) inches in diameter shall be removed or cut, nor shall surface soil be dug or removed from any unit for purposes other than building and landscaping of the unit, without prior consent of the Developer. Two (2) deciduous trees, no less than four (4) feet in height, shall be planted prior to occupancy on each unit having no natural growing trees.

Section 8. Antenna. No radio or television antennae or aerials shall be permitted other than the type commonly

used for domestic T.V. residential use, and shall be installed on the house and not on a separate pole or tower. Radio and/or television disc antennae are permitted subject to the prior approval of Developer until the last residential home has been constructed and thereafter by the Condominium Association.

Section 9. Lighting. All exterior lighting, including lamps, posts and lighting fixtures for any residence or garage shall be so situated or of such intensity as not to create a nuisance to neighboring units.

Section 10. Pools, Jacuzzis, and Hot Tubs. Underground swimming pools, Jacuzzis and hot tubs may be installed if permitted by Oceola Township and the Architectural Control Committee. Any Co-owner intending to construct any underground swimming pool, Jacuzzi, or hot tub must submit to the Architectural Control Committee a detailed description and proposed layout showing size, location, materials, shape, landscaping, fencing, screening, and type of construction. The Architectural Control Committee shall have absolute discretion to approve or disapprove any proposal and may attach any conditions which it deems appropriate. Any approved pools must be maintained in a safe and clean condition and must also be maintained in appearance consistent with the standards of the Condominium. No above-ground or free-standing swimming pools shall be permitted.

Section 11. Patio decks and walls. Patio decks shall be permissible, subject to such standards the Architectural Control Committee may, from time to time, specify. Patio walls shall be permissible, subject to such standards as the Architectural Control Committee may, from time to time, specify.

Section 12. Setback Reauirements. The minimum setback requirements are as follows:

width at front setback line	70 feet
Front setback	25 feet (a)
Side setback	10 foot (min) with Min 25 feet between homes
Rear yard	30 feet +/- (c)

a. Due to sit specific constraints, such as the sewer topography, Units 142 through 154 and 187 through 191 inclusive shall have a minimum 15 foot front setback.

b. Detached garages shall be allowed in rear yards but shall maintain a minimum 10 foot setback from the rear property line and a minimum of 5 foot setback from a side unit line. Corner units with attached garages in their designated rear yard shall maintain a minimum of 25 feet between the garage and homes on adjoining units.

c. Upon review and approval by the Township Supervisor or his/her designee the setbacks may be varied to accommodate site specific conditions.

Section 13. Fences. No fence or wall may be erected or maintained on any Unit except when required by ordinance or other governmental regulation. A solid hedge shall be permissible so long as it does not exceed 60 inches in height, and is, at all times, reasonably maintained. If such a fence or wall is required, i.e. swimming pool or Jacuzzi, the Co-owner shall obtain the express written consent of the Architectural Control Committee which shall have the sole and absolute discretion to determine the suitability of the location, design, shape, height, size and materials for any required fence, wall, or solid hedge.

Section 14. Mailboxes. The design, material, color and construction of all mailboxes and mailbox stands shall be as selected by the Architectural Control Committee. Each Co-owner shall maintain the approved mailbox and stand.

Section 15. Unfinished and Temporary Structures. No unfinished or temporary structures may be occupied as a residence at any time prior to completion in accordance with approved plans and/or issuance of a certificate of occupancy.

Section-16. Outdoor Court. No basketball backboard or basket shall be installed other than in the rear or side yard of a unit, whether attached to a dwelling, garage or other structure. No permanent tennis court or badminton court facility shall be permitted upon any unit without prior approval by the Architectural Control Committee.

Section 17. Unit Grade. The established grade of a Condominium Unit shall not be changed without prior approval by the Architectural Control Committee.

Section 18. 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 a nuisance to the Co- owners of the Condominium. No unreasonably noisy activity shall occur *in* or on the Common Elements or *in* any Unit at any time and disputes among Co-Owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the Association. No Co-owner shall do or permit anything to be done or keep or permit to be kept *in* his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved.

Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: any activity involving the use of firearms, air rifles, pellet guns, b-b guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

Section--19. Pets. No animal, except common domesticated household pets shall be kept and maintained by any Co-owner unless specifically approved *in* writing by the Association. No animal may- be kept or bred for any commercial purpose. Any animal 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 and any animal shall at all times be leashed and attended by some responsible person while on the Common Elements, limited or general. The Board of Directors may, *in* its discretion, designate certain portions of the General Common Elements of the project wherein such animals may be walked and/or exercised. Nothing herein contained shall be construed to require the Board of Directors to So designate a portion of the General Common Elements for the walking and/or exercising of animals. Dog runs shall be permitted to be installed in the rear yard areas of Units *in* accordance with Article VI, Section 4 above. No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium

shall indemnify and hold harmless the Association for any loss, damage or liability (including costs and attorney fees) which the Association may sustain as a result of the presence of such animal on the premises, whether or not the Association has given its permission therefore, and the Association may assess and collect from the responsible Co-owner such losses and/or damages in the manner provided in Article II hereof. Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No dog which barks and can be heard on any frequent or continuing basis shall be kept in any unit or on the Common Elements. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals, including the limitation concerning the number of pets kept, as it may deem proper. The Association may, after notice and hearing, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. The Association may also assess fines for such violation of the restrictions imposed by this section or by any applicable rules and regulations of the Association. The term "animal" or "pet" as used in this Section shall not include small domesticated animals which are constantly caged, such as small birds or fish.

Section 20. Aesthetics. The Common Elements, Limited or General, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Garage doors shall be kept closed at all times except as may be reasonably necessary to gain access to or from any garage. No unsightly condition shall be maintained on any patio, porch or deck and only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be

stored thereon during seasons when such areas are not reasonably in use. There shall be no outside hanging or drying of laundry. Trash receptacles shall be maintained at the curbs of the drives in the Condominium only for such short periods of time as may be reasonably necessary to permit periodic collection of trash and, in no event, shall trash receptacles be placed at the curbs prior to the evening preceding trash pick-up. In general, no activity shall be carried on nor condition maintained by the Co-owner either in his unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

section 21. Common Element Maintenance. Sidewalks, yards, landscaped areas, driveways, roads, and porches shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the Common Elements. Use of any amenities in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations; provided, however, that use of any amenities in the Condominium shall be limited to resident Co-owners who are members in good standing of the Association and to the tenants, land contract purchasers and/or other non Co-owner occupants of Condominium units in which the Co-owner does not reside; provided, further, however, that the nonresident Co-owners of such Condominium Units are members *in* good standing of the Association.

Section 22. Vehicles, Trailers and Boats. No house trailers, trucks exceeding 6500 pounds, recreational vehicles, vans or similar vehicles, such as club wagons, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, mobile homes, dune buggies, motor homes, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles other than automobiles may be parked or stored upon the premises of the Condominium, unless parked in garages, or unless specifically approved by the Association or parked in an area specifically designated therefor by the Association. Nothing herein contained shall be construed to require the Association to approve the parking or storage of such vehicles or to designate an area therefor. The Association shall not be responsible for any damages, costs or other liability arising from any failure to approve the parking or storage of such vehicles or to designate

an area therefor. No Co-owner shall maintain no more than three (3) vehicles in the Condominium, unless the Board of Directors specifically approves in writing otherwise. Co-owners shall not park their vehicles overnight on the Condominium Premises except in their respective garages, or in the driveways adjacent to their respective garages (subject to the restrictions contained in the first sentence of this Section), unless the Board of Directors specifically approves in writing otherwise. Garage doors shall be kept closed when not in use. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless vehicles or vehicles with expired license plates shall not be parked or stored on the Condominium Premises without the written permission of the Board of Directors. Non-emergency maintenance or repair of motor vehicles shall not be permitted on the Condominium Premises. The Association may cause vehicles parked or stored in violation of this Section to be ticketed and/or removed from the Condominium Premises and the cost of such removal may be assessed to and collected from the Co-owner of the unit responsible for the presence of the vehicle in the manner provided in Article II hereof without liability to the Association. Co-owners shall, if the Association shall require, register with the Association all vehicles maintained on the Condominium Premises. The Board of Directors may promulgate reasonable rules and regulations governing the parking of vehicles in the Condominium consistent with the-provisions hereof.

Section 23. Advertising and Signs. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs and "Open" signs, without written permission from the Association and, during the Construction and Sales period, from the Developer.

Section 24. Regulations. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Condominium may be made and amended from time to time by the Board of Directors of the Association, including the First Board of Directors (or its successors appointed by the Developer prior to the First Annual Meeting of the entire Association held as provided in Article IX, Section 2 of these Bylaws). Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days

after mailing or delivery thereof to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Co-owners, except that the Co-owners may not revoke any regulation prior to the First Annual meeting of the entire Association.

Section 25. Landscaping. No Co-owner shall perform any landscaping or plant any trees, shrubs, or flowers or place any ornamental materials upon the Common Elements unless approved by the Architectural Control Committee in writing.

Section 26-. Disposition of Interest in Unit by Sale or Lease. No Co-owner may dispose of a Unit in the Condominium, or any interest therein, by a sale or lease without complying with the following terms or conditions:

(a) Notice to Association. Co-owner to Provide Condominium Documents to Purchaser or Tenant. A Co-owner intending to make a sale or lease of a Unit in the Condominium, or any interest therein, shall give written notice of such intention delivered to the Association at its registered office and shall furnish the name and address of the intended purchaser or lessee and such other information as the Association may reasonably require. Prior to the sale or lease of a Unit, the selling or leasing Co-owner shall provide a copy of the Condominium Master Deed (including Exhibits "A" and "B" thereto) and any amendments to the Master Deed, to the proposed purchaser or lessee. In the event a Co-owner shall fail to notify the Association of the proposed sale or lease or in the event a Co-owner shall fail to provide the prospective purchaser or lessee with a copy of the Master Deed referred to above, such Co-owner shall be liable for all costs and expenses, including attorney fees, that may be incurred by the Association as a result thereof or by reason of any noncompliance of such purchaser or lessee with the terms, provisions, and restrictions set forth in the Master Deed; provided, however, that this provision shall not be construed so as to relieve the purchaser or lessee of his obligations to comply with the provisions of the Condominium Documents.

(b) Developer and Mortgagees not subject to Section. The Developer shall not be subject to this Section 26 in the sale or, except to the extent provided in Article VI, Section 3(b), the lease of any Unit in the Condominium

which it owns, nor shall the holder of any mortgage which comes into possession of a Unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed in lieu of foreclosure, be subject to the provisions of this Section 26.

Section 27. Co-Owner Maintenance. Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to the telephone water, plumbing, electrical, or outer utility conduits and systems and any other elements in any unit which are appurtenant to or which may affect any other Unit or the improvements thereon. Each Co-owner shall be responsible for OT damages or costs to the Association, or to other Co-owners, as the case may be, resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, tenants, land contract purchasers, 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 full reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall be the expense to the extent of the deductible amount). Any costs or damages to the Association or to other Co-owners, as the case may be, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. The Co-owners shall have the responsibility to report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement.

Section 28. Developer's Rights to Furtherance of Development and Sale. None of the restrictions contained in this Article VI 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 set forth herein and in its Articles of Incorporation as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, the Developer shall have the right to maintain a sales office, a business office, a construction office, model Units, storage area and reasonable parking incident to the foregoing and such access to, from and over the Condominium as may be

reasonable to enable development and sale of the entire Condominium by Developer and/or the development and sale of other off-site property by Developer or its affiliates, and Developer may continue to do so during the entire Construction and Sales Period and warranty period applicable to any unit in the Condominium. The Developer shall restore the area so utilized to habitable status upon termination of use.

Section 29. Enforcement of Bylaws. The Condominium shall at all times be maintained in a manner consistent with the highest standards of a beautiful, 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 Developer, or any entity to which it may assign this right, at its option, may erect 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 notwithstanding that it may not own a unit in the Condominium, which right of enforcement may include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws. The provisions of this Section 29 shall not be construed to be a warranty or representation of any kind regarding the physical condition of the Condominium.

Section 30. Assessment of Costs of Enforcement. Any and all costs, damages, expenses and/or attorney fees incurred by the Association in enforcing any of the restrictions set forth in this Article VI and/or rules and regulations promulgated by the Board of Directors of the Association under Article VI, Section 24 of these Bylaws, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

ARTICLE VII **MORTGAGES**

Section 1. Notice to Association. Any Co-owner who mortgages his unit shall notify the Association of the name and address of the mortgagee, and the Association shall

maintain such information in a book entitled "Mortgages of units". The Association shall report any unpaid assessments due from the Co-owner of such Unit to the holder of any first mortgage covering such Unit. The Association shall give to the holder of any first mortgage covering any unit in the Condominium written notification of any other 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. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

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

ARTICLE VIII

VOTING

Section 1. Vote. Except as limited in these Bylaws, each Co-owner shall be entitled to one (1) vote for each Condominium unit owned.

Section 2. Eligibility To Vote. No Co-owner, other than the Developer shall be entitled to vote at any meeting of the Association until he has presented a deed or other 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 Article IX, Section 2, except as specifically provided in Article IX, Section 2. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members and shall be entitled to vote during such period notwithstanding the fact that the Developer may own no

Units at some time or from time to time during such period. At and after the First Annual Meeting, the Developer shall be entitled to vote for each Unit which it owns.

Section 3. Designation of voting Representative. 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, address and telephone number of the individual representative designated, the number or numbers of the Condominium unit or units owned by the Co-owner, and the name, address and telephone number 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 at any time by filing a new notice in the manner herein provided.

section 4. Quorum. The presence in person or by proxy of twenty-five (25%) percent of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically provided herein to require a greater quorum. The written absentee ballot 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 ballot is cast.

Section 5. Voting. Votes may be cast in person or by proxy or by a written absentee ballot duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any absentee ballots 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.

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent of those qualified to vote and present in person or by proxy (or absentee ballot, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, the requisite affirmative vote may be required to exceed the simple majority

hereinabove set forth and may require a designated percentage of all Co-owners.

ARTICLE IX
MEETINGS

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order, or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium documents (as defined in the Master Deed) or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer and may be called at any time after more than fifty (50% f" percent in number of the units that may be created in Hickory Hills Condominium have been conveyed and the purchasers thereof 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 of seventy-five (75%) percent in number of all Units that may be created 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 Condominium, whichever occurs first. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed at the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days written notice thereof shall be given to each Co-owner. The phrase "Units that may be created" as used in this paragraph and elsewhere in the Condominium Documents refers to the maximum number of units which the Developer is permitted under the Condominium Documents to include in the Condominium.

Section 3. Annual Meetings. Annual Meetings of members of the Association shall be held in the month of June each

succeeding year after the year in which the First Annual Meeting is held, on such date and at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than eight (8) months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may be properly come before them.

Section 4. Special Meetings. 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. The President shall also call a special meeting upon a petition signed by one-third (1/3) of the Co-owners presented to the Secretary of the Association, but only after the First Annual Meeting has been held. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Co-owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 6. Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. '

Section 7. Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting;

(b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspector of elections (at annual meetings or special meetings held for the purpose of election of directors or officers); (g) election of directors (at annual meetings or special meetings held for such a purpose); (h) unfinished business; and (i) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, vice President, Secretary and Treasurer.

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 above for the giving of notice of meetings of members. Such solicitation shall specify: (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt within the time period specified in the solicitation of: (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which "equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 9. Consent of Absentees. The transactions of any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy or by absentee ballot; and if, either before or after the meeting, each of the members not present in person or by proxy, or absentee ballot, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers,

consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. Minutes: Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE X **ADVISORY COMMITTEE**

Within one (1) year after conveyance of legal or equitable title to the first unit in the Condominium to a purchaser or within one hundred twenty (120) days after conveyance to purchasers of one-third (1/3) of the Units that may be created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least three

(3) Non Developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that if more than fifty (50%) percent of the non Developer Co-owners petition the Board of Directors for an election to select the Advisory Committee; then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the other Co-owners and to aid in the transition of control of the Association from the Developer to purchaser Co-owners. A chairman of the Committee shall be selected by the members. 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. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XI **BOARD OF DIRECTORS**

Section 1. Qualification of Directors. The affairs of the Association shall be governed by a Board of Directors, all of whom must be members in good standing of the Association

or officers, partners, trustees, employees or agents of members of the Association except for the first Board of Directors designated in the Articles of Incorporation of the Association and any successors thereto appointed by the Developer. Directors shall serve without compensation.

Section 2. Election of Directors.

(a) First Board of Directors. The first Board of Directors shall be comprised of (1) person and such 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. Immediately prior to the appointment of the first non Developer Co-owner to the Board, the Board shall be increased in size to five (5) persons. Thereafter, elections for non Developer Co-owner directors shall be held as provided in subsection (b) and (c) below. The terms of office shall be two (2) years. The directors shall hold office until their successors are elected and hold their first, meeting.

(b) Appointment of NonDeveloper Co-owners To Board Prior to First Annual Meeting. Not later than one hundred twenty (120) days after the conveyance of legal or equitable title to non Developer Co-owners of twenty-five (25%) percent in number of the units that may be created, one (1) of the five (5) 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 fifty (50%) percent in number of the Units that may be created, two (2) of the five (5) directors shall be elected by non Developer Co-owners. When the required number of conveyances have been reached, the Developer shall notify the non Developer Co-owners and request that they hold a meeting and elect the required director or directors, as the case may be. Upon certification by the Co-owners to the Developer of the director or directors so elected, the Developer shall then immediately appoint such director or directors to the Board to serve until the First Annual Meeting of members unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

(c) Election of Directors at and After First Annual Meeting.

(i) 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, the non Developer Co-owners shall elect all directors on the Board, except that the Developer shall have the right to designate one (1) director as long as the Developer owns at least ten (10%) percent of the Units in the Condominium. Whenever the required conveyance level is achieved, a meeting of Co-owners shall be properly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

(ii) Regardless of the percentage of Units which have been conveyed, upon the expiration of fifty-four (54) months after the first conveyance of legal or equitable title to a non Developer Co-owner of a unit in the Condominium, the non Developer Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of units they own, and the Developer has the right to elect a number of members of the Board of Directors 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 (i) above. Application of this subsection does not require a change in the size of the Board of Directors.

(iii) If the calculation of the percentage of members of the Board of Directors that the non Developer Co-owners have the right to elect under subsection (ii) or if the product of the number of the members of the Board of Directors multiplied by the percentage of units held by the non Developer Co-owners under subsection (b) results in a right of non Developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of .5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors 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 of Directors. Application of this subsection shall not

eliminate the right of the Developer to designate one (1) director as provided in subsection (i).

(iv) At the First Annual Meeting, three (3) directors shall be elected for a term of two (2) years and two (2) directors shall be elected for a term of one (1) year. At such meeting, all nominees shall stand for election as one slate and the three (3) persons receiving the highest number of votes shall be elected for a term of two (2) years and the two (2) persons receiving the next highest number of votes shall be elected for a term of one (1) year. At each annual meeting held thereafter, either two (2) or three (3) directors shall be elected, depending upon the number of directors whose terms expire. After the First Annual Meeting, the term of office (except for two (2) of the directors elected at the First Annual Meeting) of each director shall be two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting.

(v) Once the Co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-owners to elect directors and conduct other business shall be held in accordance with the provisions of Article IX, Section 3 hereof

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners.

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

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

(b) To levy and collect assessments against and from the Co-owner members of the Association and to use the proceeds thereof for the purposes of the Association.

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

(d) To rebuild improvements after casualty.

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

(f) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any unit in the Condominium and easements, rights of way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.

(g) To grant easements, rights of entry, rights of way, and licenses to, through, over, and with respect to the Common Elements of the Condominium on behalf of the members of the Association in furtherance of any of the purposes of the Association and to dedicate to the public any portion of the Common Elements of the Condominium subject to the provisions of the Master Deed; provided, however, that any such action shall also be approved by affirmative vote of more than sixty (60%) percent of all Co-owners.

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

(i) To make and enforce reasonable rules and regulations in accordance with Article VI, Section 12 of these Bylaws and to make and enforce resolutions and policies in furtherance of any or all of the purposes of the Association or of the Condominium Documents.

(j) 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 which are not by law or by

the Condominium Documents required to be performed by the Board.

(k) To make rules and regulations and/or to enter into agreements with institutional lenders the purposes of which are to obtain mortgage financing for unit Co- owners which is acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the Federal government or the State of Michigan or to satisfy the requirements of the united States Department of Housing and Urban Development.

(l) To enforce the provisions of the Condominium Documents.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto, but which shall not be a Co-owner or resident or affiliated with a Co-owner or resident) at a reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon sixty (60) days written notice thereof to the other party, and no such contract shall violate the provisions of Section 55 of the Act.

Section 6. Vacancies. Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any director whom it is permitted in the first instance, under these Bylaws, to designate. Vacancies among non Developer Co-owner elected directors which occur prior to

the Transitional Control Date may be filled only through election by non Developer Co-owners and shall be filled in the manner specified in Section 2 (b) of this Article.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, anyone (1) or more of the directors may be removed with or-without cause by the affirmative vote of more than fifty (50%) percent of all of the Co-owners qualified to vote 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. The Developer may remove and replace any or all of the directors appointed by it at any time or from time to time in its sole discretion. Any director elected by the non Developer Co-owners to serve before the First Annual Meeting of members may be removed before the First Annual Meeting by the non Developer Co-owners in the same manner set forth in this Section 7 above for removal of directors generally.

Section 8. First Meeting. The first meeting of the 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 9. Regular Meetings. Regular meetings of the Board of Directors :may be held at such times and places as shall be determined from time-to-time by a majority of the Board of Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally, by mail, telephone or telegraph, at least five (5) days prior to the date named for such meeting.

Section 10. Seecial Meetings. Special meetings of the Board of Directors may be called by the President upon three (3) days' notice to each director, given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or

Secretary in *like* manner and on *like* notice on the written request of two (2) directors.

section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors 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 is less than a quorum present, the majority of those persons may adjourn the meeting to a subsequent time upon twenty-four (24) hours' prior written notice delivered to all directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such director for purpose of determining a quorum.

Section 13. Closing Of Board Of Directors' Meetings To Members: Privileged Minutes. The Board of Directors, in its discretion, may close a portion or all of any meeting of the Board of Directors to the members of the Association or may permit members of the Association to attend a portion or all of any meeting of the Board of Directors. Any member of the Association shall have the right to inspect, and make copies of, the minutes of the meetings of the Board of Directors; provided, however, that no member of the Association shall be entitled to review or copy any minutes of meetings of the Board of Directors to the extent that said minutes reference privileged communications between the Board of Directors and counsel for the Association, or any other matter to which a privilege against disclosure pertains under Michigan Statute, common law, the Michigan: Rules of Evidence, or the Michigan Court Rules.

Section 14. Action By written Consent. Any action permitted to be taken by the Board of Directors at a meeting of the Board shall be valid if consented to in writing by the requisite majority of the Board of Directors.

Section 15. Actions Of First Board Of Directors Binding. All of the actions (including, without limitation, the adoption of these Bylaws and any rules and regulations, policies or resolutions 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 by the Developer 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 Annual Meeting of members or at any subsequent annual meeting of members, provided that such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium Documents.

Section 16. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE XIII

OFFICERS

Section 1. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice-President, Secretary and a Treasurer. The directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as, in their judgement, may be necessary. Any two (2) offices except that of President and Vice-President may be held by one (1) person.

Section 2. Election. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be

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

Section 4. President. The President shall be the chief executive officer of the Association. The President shall preside and may vote 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 an 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 may in the President's discretion deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice-President. The Vice-President shall take the place of the President and perform the President's 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 do so on an interim basis. The Vice-President shall also perform such other duties as shall from time-to-time be imposed upon the Vice President by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association. The Secretary shall have charge of the corporate seal, if any, and of such books and papers as the Board of Directors may direct; the Secretary shall, in general, perform all duties incident to the office of the Secretary.

Section 7. Treasurer. 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. Duties. The officers shall have such other duties, powers and responsibilities as shall, from time-to-time, be authorized by the Board of Directors.

ARTICLE XIII **SEAL**

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

ARTICLE XIV **FINANCE**

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other non privileged Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however that such auditors need not be certified public accountants nor does such audit need to be a certified audit. 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 cost of any such audit and any accounting expenses shall be expenses of administration.

Section 2. Fiscal, .Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the directors.

Absent such determination by the Board of Directors, the fiscal year of the Association shall be the calendar year. The commencement date of the fiscal year shall be subject to change by the directors for accounting reasons or other good cause.

section 3. Depositories. The funds of the Association shall be initially deposited in such bank or savings association as may be designated by the directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time- to time. The funds may be invested from time-to-time in accounts or deposit certificates of such banks or savings associations as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the united States Government or in such other depositories as may be adequately insured in the discretion of the Board of Directors. Any withdrawals from Association accounts and any check written on Association accounts shall require the signatures of two officers of the Association.

ARTICLE XV
INDEMNIFICATION OF OFFICERS AND DIRECTORS; DIRECTORS' AND OFFICERS' INSURANCE

Section 1. Indemnification Of Directors And Officers.
Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and accounts paid in settlement incurred by or imposed upon him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except as otherwise prohibited by law; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Association (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the ,best interest of the

Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of--any indemnification which it has approved, the Association shall notify all Co-owners thereof.

Section 2. Directors' and Other Officers' Insurance. The Association shall provide liability insurance for every director and every officer of the Association for the same purposes provided above in Section 1 and in such amounts as may reasonably insure against potential liability arising out of the performance of their respective duties. With the prior written consent of the Association, a director or an officer of the Association may waive any liability insurance for such director's or officers personal benefit. No director or officer shall collect for the same expense or liability under Section 1 above and under this Section 2; however, to the extent that the liability insurance provided herein to a director or officer was not waived by such director or officer and is inadequate to pay any expenses or liabilities otherwise properly indemnifiable under the terms hereof, a director or officer shall be reimbursed or indemnified only for such excess amounts under Section 1 hereof.

ARTICLE XVI **AMENDMENTS**

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the directors or by one-third or more of the Co-owners by instrument in writing signed by them.

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

Section 3. Voting. These 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 not less than sixty- six and two-thirds (66-2/3%) percent of mortgagees shall be required with each mortgagee to have one (1) vote for each mortgage held. During the Construction and Sales Period, these Bylaws may not be amended in any manner so as to materially affect and/or

impair the rights of the Developer, unless said amendment has received the prior written consent of the Developer. Notwithstanding anything to the contrary, no amendment may be made to Article III, Section 4 of these Bylaws at any time without the written consent of the Developer.

Section 4. By Developer. Prior to the Transitional Control Date, these Bylaws may be amended by the Developer without approval from any other person so long as any such amendment does not materially alter or change the rights of a Co-owner or mortgagee, including, but not limited to, amendments for the purpose of facilitating conventional mortgage loan financing for existing or prospective Co-owners and to enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the Federal government or the State of Michigan.

Section 5. When Effective. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Livingston County Register of Deeds.

Section 6. Binding. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium irrespective of whether such persons actually receive a copy of the amendment.

ARTIVLE XVII **COMPLIANCE**

The Association of Co-owners and all present or future Co-owners, tenants, land contract purchasers, 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 Act, as amended, and with the Condominium Documents, and the mere acquisition, occupancy or rental of any unit or an interest therein or the utilization of or entry upon the Condominium Premises shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern. In the event any provision of these Bylaws conflicts with any provision of the Master Deed, the Master Deed shall govern.

ARTICLE XVIII
DEFINITIONS

All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

ARTICLE XIX
REMEDIES FOR DEFAULT

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

(a) Legal Action. Failure to comply with any of the terms and provisions of the Condominium Documents or the Act, including any of the rules and regulations promulgated "-by the Board of Directors of the Association hereunder, shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination 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 the event of a default of the Condominium Documents by a Co-owner and/or non Co-owner resident or guest, the Association shall be entitled to recover from the Co-owner and/or non Co-owner resident or guest, the relitigation costs and attorney fees incurred in obtaining their compliance with the Condominium Documents. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney 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 attorney fees. The Association, if successful, shall also be entitled to recoup the costs and attorney fees incurred in defending any claim, counterclaim or other matter from the Co-owner asserting the claim, counter claim or other matter.

(c) Removal And Abatement. The violation of any of the provisions of the Condominium Documents, including the rules and regulations promulgated by the Board of Directors of the Association hereunder, shall also give the

Association, or its duly authorized agents, the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association 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 Condominium Documents, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, by any Co-owner, in addition to the rights set forth above, shall be grounds for assessment by the Association of a monetary fine for such violation. No fine may be assessed unless the rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner prescribed in Article VI, Section 12 of these bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owner and an opportunity for such Co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. Upon finding an alleged violation after an opportunity for hearing has been provided, the Board of Directors may levy a fine in such amount as it, in its discretion, deems appropriate. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws.

Section 2. Nonwaiver of Right. The failure of the Association or of any Co-owner to enforce any right, provision, covenant, or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision, covenant or condition in the future.

Section 3. Cumulative Rights. Remedies. and Privileaes. 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

Condominium Documents shall be deemed to be cumulative and the exercise of anyone or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 4. Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the terms and 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 terms and provisions of the Condominium Documents or the Act.

ARTICLE XX
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 or 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 consent to the acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or retained by Developer or its successors shall expire and terminate, if not sooner assigned to the Association, at the conclusion of the Construction and Sales Period. The immediately preceding sentence dealing with the expiration and 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 and expiration of any real property or contract 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 not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby.

ARTICLE XXI
SEVERABILITY

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