

NEWBURGH PARK

RESTATED BYLAWS EXHIBIT "A" TO THE MASTER DEED

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ARTICLE I ASSOCIATION OF CO-OWNERS

Newburgh Park, a residential Condominium located in the City of Livonia, County of Wayne, 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, the 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. A Co-owner selling a Unit shall not be entitled to any refund 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 available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium. All Co-owners and all persons using or entering upon or acquiring any interest in any Unit or the Common Elements 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 authority 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 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 Co-owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of any change in the monthly payment which shall not be due until at least ten (10) days after such new annual or adjusted budget is adopted. An adequate reserve fund for maintenance, repair 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 monthly payments as set forth in Section 3 below rather than by additional or special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a non-cumulative basis. Since the minimum standard required by this Section may prove to be inadequate for this particular Condominium, the Association 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. The funds contained in such reserve fund shall be used for major repairs and replacements of Common Elements. The Board of Directors may establish such other reserve funds as it may deem appropriate 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 of 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 Dollars (\$25,000.00), in the aggregate, annually, or (4) in the event of emergencies, the Board of Directors shall have the authority, subject to Article VII of these Bylaws, to increase the general assessment or to levy such additional or special assessment or assessments without Co-owner approval as it shall deem to be necessary. The Board of Directors shall also have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 5 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 this Section 2, subject to Article VII of these Bylaws, 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, subject to Article VII of these Bylaws, may be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty percent (60%) of all Co-owners. The authority to levy assessments pursuant to this subsection is solely 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 of 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, as may be determined in the sole discretion of the Board of Directors, which benefit less than all of the Units may be specially assessed against the Unit or Units so benefited and may be allocated to the benefited Unit or Units in the proportion which the percentage of value of each benefited Unit bears to the total percentages of value of all Units so specially benefited. Additionally, the cost of excessive water usage as determined by a water meter reading which is in excess of twenty percent (20%) of the average reading of the water meters for all of the other buildings (deducting any unoccupied Units from the calculation, if appropriate) may be assessed to all of the Co-owners of the Units in the building to which the water meter with the excessive reading is connected. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by the Co-owners in twelve (12) equal monthly 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 \$20.00 per month, 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. 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, as the Association shall determine in its sole discretion; and, finally, to installments in default in the order of their due dates, earliest to latest.

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 that 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 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.

Section 4. Waiver of Use or Abandonment of Unit; Uncompleted Repair 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 services and/or management to the Condominium or the Co-owner.

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 for nonpayment of assessments the fact that 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 foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to the foreclosure of mortgages by judicial action and 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 Unit. Each Co-owner of a Unit 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 or additional 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 additional or 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 hereof, 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 additional or 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, shall not be entitled to vote at any meeting of the Association or to sign any petition for any purpose prescribed by the Condominium Documents or by law, and shall not be entitled to run for election or serve as a director or be appointed or serve as 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 Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering a Unit 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 in regard to said first mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit and except for assessments that have priority over the first mortgage under Section 108 of the Act).

Section 7. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 8. 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 9. Construction Lien. A construction lien otherwise arising under the Construction Lien Act, No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act, as amended.

Section 10. Statement as to Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any Unit may request a statement of the Association as to the outstanding amount of any unpaid Association assessments (whether annual, additional or special), interest, late charges, fines, costs and attorney fees and other 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, interest, late charges, fines, costs, attorney fees and other 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 assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments together with interest, late charges, fines, costs, and attorney 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, interest, collection and late charges, advances made by the Association for taxes or other liens to protect its liens, fines, costs, and attorney fees incurred in the collection thereof 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 having priority. The Association may charge such reasonable amounts for the preparation of such 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 or Co-owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances, and written notice to the Association, if applicable, be submitted to arbitration and the parties thereto shall accept the arbitrators' 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 in the Courts.

Section 4. Prerequisites to 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 or other Developer-appointed Directors, for any reason, shall be subject to compliance with the alternate dispute resolution requirements of Michigan law, insofar as applicable, and, in addition, shall be approved by a vote of sixty-six and two-thirds percent (66- $\frac{2}{3}$ %) of all Co-owners, and notice of such proposed action must be given in writing to all Co-owners in accordance with Article VII below. Such vote may only be taken at a meeting of the Co-owners and no proxies or absentee ballots shall be permitted to be used, notwithstanding the provisions of Article VII below.

ARTICLE IV INSURANCE

Section 1. Extent of Coverage. The Association shall carry a standard "all risk" insurance policy, which includes, among other things, fire and extended coverage, vandalism and malicious mischief and liability insurance, and worker's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

- (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. Each Co-owner shall obtain insurance coverage at his own expense upon his Unit. It shall be each Co-owner's responsibility to determine by personal investigation or from his own insurance advisor the nature and extent of insurance coverage adequate to recompense him for his foreseeable losses and thereafter to obtain insurance coverage for his personal property and any additional fixtures, equipment and trim (as referred to in subsection (b) below) located within his Unit or elsewhere on the Condominium and for his personal liability for occurrences within his Unit or upon Limited Common Elements appurtenant to his Unit and also for alternative living expense in the event of fire and/or other casualty, and the Association shall have absolutely no responsibility for obtaining such coverages. 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 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 Project 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. Such coverage also shall include interior walls within any Unit and the pipes, wires, conduits and ducts contained therein and shall further include all fixtures, equipment and trim within a Unit which were furnished with the Unit as standard items in accord with the plans and specifications thereof as are on file with the City (or such replacements thereof as do not exceed the cost of such standard items). It shall be each Co-owner's responsibility to obtain insurance coverage for all fixtures, equipment, trim and other items or attachments within the Unit or any Limited Common Elements appurtenant thereto which were installed in addition to said standard items (or as replacements for such standard items to the extent that replacement cost exceeded the original cost of such standard items) whether installed originally by the Developer or subsequently by the Co-owner, and the Association shall have no responsibility whatsoever for obtaining such coverage unless agreed specifically and separately between the Association and the Co-owner in writing; provided, however, that any such agreement between the Association and the Co-owner shall provide that any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-owner and collected as part of the assessments against said Co-owner under Article II hereof. This provision shall not preclude the Association from obtaining such coverage on its own initiative.

- (c) Premium Expenses. 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 at least sixty-seven percent (67%) of the institutional holders of first mortgages on Units in the Condominium have given their prior written approval if one or more Units are tenantable, or if at least fifty-one percent (51%) of the institutional holders of first mortgages have given their written approval if no Unit is tenantable.

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workers' compensation insurance, if applicable, pertinent to the Condominium, his Unit and the Common Elements appurtenant thereto with such insurer as may, from time to time, provide such insurance for the Condominium. Without limitation on the generality of the foregoing, the Association as said attorney 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) Partial Damage. In the event the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by at least eighty percent (80%) of the Co-owners that the Condominium shall be terminated and at least sixty-seven percent (67%) of those institutional holders of a first mortgage lien on any Unit in the Condominium have given their prior written approval for such termination.
- (b) Total Destruction. 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 if at least fifty-one percent (51%) of the holders of first mortgages on Units have approved such termination, unless eighty percent (80%) 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 unanimously decide otherwise.

Section 3. Co-owner and Association Responsibilities. In the event the damage is only to a part of a Unit that is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association in accordance with Section 5 of this Article V.

Section 4. Co-owner Responsibility for Repair. Each Co-owner shall be responsible for the reconstruction, repair and maintenance of windows and doors appurtenant to his Unit and of the interior of his Unit, including, but not limited to wall covering (i.e., wallpaper, paneling, etc.), floor covering (i.e., carpeting, tile, hardwood, etc.), window shades, draperies, interior walls (but not any General Common Elements therein which are otherwise designated as the responsibility of the Association in Article IV, Section 3 of the Master Deed), interior trim, furniture, light fixtures and all appliances (including their hoses or other apparatuses), whether free-standing or built-in. In the event that damage to interior walls within a Co-owner's Unit, or to pipes, wire, conduits, ducts or other Common Elements therein, or to any fixtures, equipment and trim which are standard items within a Unit is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5 of this Article V. If any other interior portion of a Unit 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 endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units.

Section 5. Association Responsibility for Repair. Except as provided in Section 4 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). In no event shall the Association be responsible for any damage to the contents of a Unit and/or any personal property of the Co-owner. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and/or reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Co-owners, except as may otherwise be permitted in the Bylaws, 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, which may be collected in accordance with Article II herein. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 6. Timely Reconstruction and Repair. If damage to Common Elements or a Unit adversely affects the appearance of the Condominium, the Association or Co-owner responsible for the reconstruction, repair and/or maintenance thereof shall proceed with replacement of the damaged property without delay and complete such replacement within six (6) months after the date of the occurrence which caused damage to the property.

Section 7. Eminent Domain. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

- (a) Taking of Entire Unit. In the event of the 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 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 a 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 percent (50%) 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) Continuation of Condominium After Taking. In the event the Condominium continues after taking by eminent domain, then the remaining portion of the Condominium shall be re-surveyed 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 percent (100%). Such amendment may be affected 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) Notification of Mortgagees. In the event any Unit, 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.

Section 8. 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 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 Unit mortgages.

Section 9. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Co-owner, or any other party, priority over any rights of first mortgagees of Units pursuant to their mortgages in the case of a distribution to Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

ARTICLE VI **RESTRICTIONS**

Section 1. Residential Use. No Unit shall be used for other than residential purposes and the Common Elements shall only be used for purposes consistent with those set forth in this Section 1. Timesharing and/or interval ownership is prohibited. No Unit shall be used for

commercial or business purposes; provided, however, that this shall not be deemed to ban a Co-owner from operating a home-based business which does not have any on-site employees other than Unit residents, does not produce odors, noises, or other affects noticeable outside of the Unit, and does not involve the manufacture of goods or sale of goods from inventory. The Association may also provide a Unit or a Common Element to be used by a janitor, or resident manager, as the case may be. 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 such lease transaction is submitted to and approved by 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 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 Unit shall, promptly following the execution of any lease of a Unit, forward a conformed copy thereof to the Board of Directors. Under no circumstances shall transient tenants be accommodated. "Transient tenant" is someone who occupies a Unit for less than the minimum period required above regardless of whether or not compensation is paid. 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 nonCo-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases, rental agreements, and occupancy agreements shall so state.
- (b) Leasing Procedures. A Co-owner 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 or otherwise agreeing to grant possession of a Unit to a potential lessee of the Unit and, at the same time, shall supply the Association a copy of the exact lease form for its review for its compliance with the Condominium Documents. Co-owners who do not live in the Unit they own must keep the Association informed of their current correct address and phone number(s). If no lease form is to be used, then the Co-owner shall supply the Association with the name and address of the potential lessee, along with the rental amount and due dates under the proposed agreement. The Board of Directors may charge such reasonable administrative fees for reviewing, approving and monitoring lease transactions in accordance with this Article VI, Section 2 as the Board, in its discretion, may establish. Such administrative fees shall be assessed to and collected

from the leasing Co-owner in the same manner as the collection of assessments under Article II above. This provision also shall apply to occupancy agreements.

- (c) Violation of Condominium Documents by Tenants or NonCo-owner Occupants. If the Association determines that the tenant or nonCo-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 nonCo-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 nonCo-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 an action for eviction against the tenant or nonCo-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or nonCo-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 nonCo-owner occupant and the Co-owner liable for any damages caused by the Co-owner or tenant or nonCo-owner occupant in connection with the Unit or Condominium and for actual legal fees and costs 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 or nonCo-owner occupant occupying the Co-owner's Unit under a lease, rental or occupancy agreement and the tenant or nonCo-owner occupant, 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 do not constitute a breach of the rental agreement, lease or occupancy agreement by the tenant or nonco-owner occupant. If the tenant, after being notified, fails or refuses to remit rent otherwise due the Co-owner to the Association, the Association may:
- (1) Issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.
 - (2) Initiate proceedings pursuant to subsection (c) (3) of this Section 2.
- The form of lease used by any Co-owner shall explicitly contain the foregoing provisions of this subsection (d).

Section 3. Architectural Control Process and Construction Regulations. An architectural control process and construction regulations have been established to ensure that Newburgh Park is developed in the highest quality manner consistent with the design goals for the community. The architectural control process and construction regulations shall be binding upon the Association and all Co-owners.

- A. Architectural Control Committee. There is hereby established an Architectural Control Committee which, except as otherwise expressly provided herein, shall have exclusive jurisdiction over the rights of approval and enforcement set forth in the Condominium

Documents. The Architectural Control Committee shall be appointed by the Board of Directors of the Association and shall consist of at least one (1), but not more than five (5) persons. No member of the Architectural Control Committee shall be compensated for the time expended in architectural control activities.

- B. Architectural Control Committee Exculpation From Liability. No action shall be brought or maintained by anyone whatsoever against the Architectural Control Committee, the Association, or any of their respective owners, members, directors, officers, employees or agents, for or on account of his or her failure to bring any action for any breach of these covenants. In no event shall the Association, the directors and officers of the Association, or the Architectural Control Committee have any liability whatsoever to anyone for the Committee's approval or disapproval of plans, drawings, specifications, elevations or the residences, fences, walls, hedges, or other structures and/or improvements subject hereto, whether such alleged liability is based on negligence, tort, express or implied contract, fiduciary duty or otherwise. In no event shall the Association, the directors and officers of the Association or the Architectural Control Committee have any liability to anyone including, but not limited to, any Co-owner for the approval of plans, specifications, structures or the like, which are not in conformity with the provisions of these Condominium Documents, nor for disapproving plans, specifications, structures or the like, which may be in conformity with the provisions hereof. Any obligation or duty to ascertain any non-conformities, or to advise the Co-owner or any other person of the same (even if known) is hereby disclaimed. In no event shall any party have the right to contest judicially any decision of the Association, the directors and officers of the Association or the Architectural Control Committee (or any alleged failure of the Association, the directors and officers of the Association, or the Architectural Control Committee to make a decision) relative to the approval or disapproval of a structure and/or improvement or any aspect or other matter as to which the Architectural Control Committee has the right to approve or waive under the Condominium Documents. Approval by the Architectural Control Committee shall not be construed as a representation or warranty that the structure, improvement or other matter conforms with the ordinances or other requirements of local public authorities or any applicable law or statute.
- C. Architectural Control Regulations. The Developer has provided for architectural control in order to insure the proper and harmonious development of the Project, to maximize the aesthetic beauty of the Project and to blend the Project with the surrounding area. The Architectural Control Committee shall be deemed to have broad discretion in determining what fences, walls, hedges or other structures and/or improvements will enhance the aesthetic beauty and desirability of the Condominium, or otherwise further or be consistent with the purpose for any restriction. The construction of any improvement must also receive any necessary approval(s) from the local public authority, which shall first be provided to the Architectural Control Committee; however, the approval of such public authority shall merely be a condition precedent to approval by the Architectural Control Committee.
1. **MATTERS SUBJECT TO ARCHITECTURAL CONTROL.** Except as otherwise expressly provided herein, a Co-owner intending to construct, erect, modify or install any deck, wall, structure, hedge, landscaping or other improvement in the Limited Common

Element deck area appurtenant to such Unit; intending to paint or otherwise alter the exterior appearance of his Unit or the appurtenant Limited Common Elements; intending to make either structural or other modifications to any of the walls of his Unit in which there exist easements for utilities or for support or which modifications may adversely affect sound conditioning between Units; or to make changes in any of the Common Elements, Limited or General, shall first obtain the written approval of the Architectural Control Committee in accordance with this Article VI, Section 3. Without limiting the scope or generality of the foregoing, the provisions of this Article VI, Section 3 shall apply to the installation, construction or modification of any lights, wires, aerials, antennas (except those antennas referred to in Sub-section 3(E)(6) of this Article VI, below), awnings, shutters, doors, gates, newspaper holders, mailboxes, gazebo, hot tub or jacuzzi, playground equipment, basketball backboard, dog run, tree or other substantial landscape planting or berm or other change in a Unit or Limited Common Element appurtenant to the Unit which is visible from another Unit or from the General Common Elements.

2. **SUBMISSION OF PLANS.** The Co-owner shall submit to the Architectural Control Committee complete plans and specifications, sufficient to secure a building permit in the City, if required, including site, grading, utility, residence, garage and landscape plans, if applicable, prepared and sealed by an architect registered in the State of Michigan, or other person or entity approved by the Architectural Control Committee, showing the size, nature, kind, type and color of the elevations, facade, height and materials, color scheme (including, but not limited to stain and paint colors), siding, location, and the approximate cost of such improvement. A copy of the plans and specifications, as finally approved, shall be kept permanently by the Committee.

3. **PLAN APPROVAL/DISAPPROVAL.**

- (a) No approval by the Architectural Control Committee shall be valid if the structure or improvement violates any of the restrictions set forth in sub-section E of this Article VI, Section 3, except in cases where waivers have been granted as provided for in the said Subsections.
- (b) The Architectural Control Committee may disapprove plans because of noncompliance with any of the restrictions set forth in sub-section E of this Article VI, Section 3, or because of reasonable dissatisfaction with the grading and drainage plan, the location of the structure on the Unit, the materials used, the color scheme, the finish, design, proportions, shape, height, style or appropriateness of the proposed improvement or alteration or because of any matter or thing which, in the reasonable judgment of the Architectural Control Committee, would render the proposed improvement or alteration inharmonious or out of keeping with the objective of the Developer or with improvements erected on other Units. The Architectural Control Committee also, in its discretion, may require as a condition of approval of any plans, an agreement for special assessment of increased maintenance charges from any Co-owner whose proposed building, appurtenances and related improvements will cause the Association unusual expense in carrying out its responsibilities under the Master Deed.

- (c) In the event the Architectural Control Committee fails to approve or disapprove plans within twenty (20) days after submission, then such approval will not be required, but all other limitations, conditions and restrictions set forth in this Article VI, Section 3 shall apply and remain in force as to such plans.
- (d) The Architectural Control Committee approval shall be deemed given if the plans and specifications submitted for approval are marked or stamped as having been finally approved by the Architectural Control Committee.
- D. Contractor Requirements. No Co-owner shall contract with any builder/contractor other than a builder/contractor who has first been approved by the Architectural Control Committee for the construction of any residential structure, improvement, or related appurtenances without the express written consent of the Architectural Control Committee. All builders/contractors must adhere to requirements of this subsection to maintain their approval status.
1. Without Pre-approval. If a contractor has not been previously approved by the Architectural Control Committee, the following information must be provided along with a written request to approve a builder/contractor: (1) a copy of the builder/contractor's residential builder's license; (2) a certificate of insurance which shall be satisfactory to the Architectural Control Committee in all respects and provide that any cancellation or substantive modification of coverage shall not be effective without thirty (30) days prior written notice to the Co-owner and the Architectural Control Committee; and (3) a resume of the builder/contractor's projects similar in nature to the proposed work.
 2. Pre-construction Certificate of Compliance. Prior to the commencement of any construction or improvement within a Unit, the Co-owner shall supply the Architectural Control Committee with: (1) a certification by a duly licensed civil engineer or land surveyor verifying that the proposed improvements are to be properly located and are in accordance with the Plans previously approved by the Architectural Control Committee; and (2) copies of all required building and other permits and approvals.
 3. Accountability. The builder/contractor/landscaper shall designate a construction superintendent at the start of construction who will be responsible for supervising adherence to the Construction Regulations set forth herein below and all other applicable provisions of the Condominium Documents of Newburgh Park.
- E. Construction Regulations.
1. In General. The Architectural Control Committee may only approve such modifications as in its opinion do not impair the soundness, safety, utility or appearance of the Condominium Project.
 2. Decks. Subject to the approval of the Architectural Control Committee in accordance with this Article VI, Section 3, a deck not exceeding twenty-four inches (24") in height above the grade upon which the deck is placed may be

constructed and installed, but only in the Limited Common Element deck area appurtenant to the Co-owner's Unit.

3. Deck Privacy Fences. Subject to the approval of the Architectural Control Committee in accordance with this Article VI, Section 3, a deck privacy fence may be constructed and installed, but only within the Limited Common Element deck area appurtenant to the Co-owner's Unit. Any such privacy fence shall not exceed six feet (6') in height when measured from the surface of the ground. All privacy fences shall be constructed of material specifically designed for such purposes. Used materials, such as doors or similar materials, shall not be utilized as fences. All fences shall be constructed of materials approved by the building official of the City and shall be durable, weather resistant, rustproof and easily maintained. Wood or wood products, when utilized, shall be treated (wolmanized or equal) and shall be maintained by the Co-owner at all times.
4. 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, or as may be provided in rules and regulations governing same as may be promulgated by the Board of Directors from time to time.
5. Insect Control Devices. No attachment, appliance or other item may be installed which is designed to kill or repel insects or other animals by light or humanly audible sound.
6. Antennas. Anything to the contrary in this Section notwithstanding, a Co-owner, or a tenant occupying in compliance with the requirements of Article VI, Section 2, above, may install and maintain in a Unit, or on a Limited Common Element appurtenant or assigned thereto, in which he has a direct or indirect ownership or leasehold interest, and which is within his exclusive use or control, an antenna, and/or a mast that supports an antenna, of any of the types and sizes described in paragraph (a) of the Federal Communication Commission's Over-the-Air Reception Devices (OTARD) Rule, 47 C.F.R. Section 1.4000, as amended (the "FCC Rule"), but every such installation shall be made in conformance with the limitations and procedures of this Section and all applicable written rules and regulations with respect to the installation, maintenance and/or removal of such antennas by a Co-owner as from time to time may be promulgated by the Board of Directors of the Association under this Section and Article VI, Section 11, of these Bylaws, except in either case to the extent that they are construed to conflict with the U.S. Federal Telecommunications Act of 1996, as amended, or the FCC Rule. Although the provisions of this Paragraph 6 are intended automatically to conform to any future change in the FCC Rule, the Co-owners are advised that, as of the date the Superseding Consolidated Master Deed and these Bylaws were recorded, "antennas" subject to the FCC Rule were deemed to include: (1) direct broadcast satellite antennas ("Satellite Dishes") one meter or less in diameter; (2) television broadcast antennas of any size; and (3) multi-channel, multi-point distribution service antennas (sometimes called "wireless cable" or "MMDS" antennas) one meter or less in diameter. The rules and regulations promulgated by the Board of Directors governing installation,

maintenance or use of antennas shall not impair the reception of an acceptable quality signal and shall not unreasonably prevent or delay, or increase the cost, of the installation, maintenance or use of any such antenna. Such rules and regulations may provide for, among other things, placement preferences, screening and camouflaging or painting of antennas. Such rules and regulations may contain exceptions or provisions related to safety, provided that the safety rationale is clearly articulated therein.

Antenna installation on a General Common Element is prohibited, except in strict conformance with the limitations and requirements of any rule or regulation regarding the permissible or preferred location(s) for antenna installations as the Board of Directors, in its sole discretion, may promulgate pursuant to and in conformance with this Paragraph and Section 11 below, or unless otherwise approved in writing by the Architectural Control Committee in its sole discretion. The preceding sentence shall not be construed to require that the Board of Directors promulgate any rule or regulation permitting the installation of antennas or masts on any General Common Element or that the Architectural Control Committee approve any non-conforming installation. Antenna masts, if any, may be no higher than is necessary to receive an acceptable quality signal, and may not extend more than twelve (12) feet above the roofline without pre-approval, due to safety concerns. The Association may prohibit Co-owners from installing an antenna otherwise permitted by this sub-Section if the Association provides the Co-owner(s) with access to a central antenna facility that does not impair the viewers' rights under the FCC Rule.

A Co-owner must complete and submit to the Architectural Control Committee the form of antenna notice / maintenance and removal agreement prescribed by the Board of Directors before an antenna may be installed. Such form of antenna notice and agreement may require such detailed information concerning the proposed installation as the Board reasonably requires to determine whether the proposed installation is permitted by this sub-Section and all valid rules and regulations promulgated by the Board regarding the installation and placement of antennas, and shall require that the Co-owner agree to maintain the installation in good working condition at his own expense and remove the same when the Unit is sold or the antenna service discontinued, whichever first occurs. The Co-owner shall not proceed with the installation sooner than ten (10) days after the Architectural Control Committee receives an antenna notice, which time period is intended to afford the Architectural Control Committee a reasonable opportunity to determine whether the proposed installation is in conformance with the FCC Rule, this sub-Section and permissible rules and regulations as may have been adopted by the Board of Directors. During the ten (10) day time period, the Architectural Control Committee may, in writing:

- (a) notify the Co-owner that the proposed installation appears to be permitted;
- (b) request the Co-owner provide such additional relevant information as the Architectural Control Committee reasonably determines necessary to enable the Architectural Control Committee to determine whether the proposed installation so conforms, in which case the ten (10) day time period automatically shall be deemed extended to a date which is five (5)

- days after all such information is received by the Architectural Control Committee; or,
- (c) notify the Co-owner that the proposed installation is not permitted, specify in general terms the aspects of the proposed installation which the Architectural Control Committee believes are not permitted and inform the Co-owner that he may appear before and be heard by the Board (or a committee of the Board) to justify the proposed installation, or to propose modifications to the proposed installation which are either permissible or, though not otherwise permissible, are acceptable to both the Board and Co-owner. At the request of the Co-owner, the date certain may be adjourned from time to time to a date and time mutually convenient to the Co-owner and Board (or committee of the Board).

Except as a proposed antenna installation has been made substantially in accordance with this sub-Section, or in accordance with any specific written approval by the Board of Directors of a non-conforming installation, the Association may exercise all, or any, of the remedies of Article XVII, below, with respect to an antenna installation not permitted by the FCC Rule, this sub-Section or any valid rule or regulation promulgated by the Board of Directors, including, without limitation, to assess to the responsible Co-owner all costs incurred by the Association for the removal of such antenna, and/or for the repair of the Common Elements, together with the Association's attorneys fees and other costs of collections, in accordance with Article II of these Bylaws.

- F. Responsibility to Decorate, Maintain, Repair and Replace Improvements and Modifications. 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 Architectural Control Committee and the Association, and their respective owners, members, shareholders, directors, officers, employees and agents harmless from and against any and all costs, damages and liabilities incurred in regard to said modification and/or improvement and (except with respect to antennas referred to in Sub-section 3. E. 6. above) shall be obligated to execute a Modification Agreement, if requested by the Architectural Control Committee as a condition for approval of such modification and/or improvement. No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves, sump pump or any other element which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages arising out of actions taken to gain necessary access.

Section 4. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, Limited or General, nor shall anything be done which may be or become an annoyance or a nuisance to other Co-owners. No unreasonably

noisy activity shall occur in or on the Common Elements or in any Unit at any time. 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, sling shots, illegal fireworks, or other similar dangerous weapons, projectiles or devices.

Section 5. Pets. No reptile or animal, including household pets, shall be maintained by any Co-owner unless specifically approved in writing by the Association, except that a Co-owner may maintain not more than three (3) domesticated animals, including not more than one (1) domesticated dog, in his Unit. No exotic pets shall be permitted on the Condominium Premises. 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 doghouses or tethering of animals shall be permitted on the Common Elements, Limited or General. 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 in person 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 and the Board of Directors may, in its discretion, designate certain portions of the General Common Elements wherein dog runs may be constructed. 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 and/or for the construction of dog runs. No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the Condominium Premises 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 therefor, 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 that 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 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, although such hearing shall not be a condition precedent to the institution of legal proceedings to remove said animal. 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 5 shall not include small, domesticated animals that are constantly caged, such as small birds or fish.

Section 6. 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 porch, deck or other Limited Common Element, 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, except as may be provided in rules and regulations of the Association. Trash receptacles shall be maintained at all times in areas designated therefor and shall not be permitted to remain elsewhere on the Common Elements, except for such short time periods as may be reasonably necessary to permit periodic collection of trash. The Common Elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. There shall be no outdoor cooking or barbecues except upon Limited Common Element decks and balconies and in any General Common Element areas designated therefor by the Board of Directors. Nothing herein contained shall be construed to require the Board of Directors to so designate an area for outdoor cooking or barbecues. In general, no activity shall be carried on nor condition maintained by the Co-owner either in his Unit or upon the Common Elements that is detrimental to the appearance of the Condominium.

Section 7. Common Element Maintenance. Porches, walkways, deck areas, landscaped areas and driveways 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, except as may be provided by duly adopted rules and regulations of the Condominium. Outdoor furniture may be maintained on any Limited Common Element balcony and deck area, if any, appurtenant to the Unit during the season when such balcony/deck furniture is reasonably in use. 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 Units in which the Co-owner does not reside; provided, further, however, that the nonresident Co-owners of such Units are members in good standing of the Association.

Section 8. Vehicles. No house trailers, 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, motorcycles, vehicles and trucks which are designed and used primarily for personal transportation purposes, may be parked or stored upon the premises of the Condominium, unless enclosed in the Co-owner's garage with the door closed or parked on the Co-owner's Limited Common Element driveway or in such other area, if any, as may be 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. A Co-owner may not maintain more than three (3) vehicles upon the premises of the Condominium unless the Board of Directors specifically approves in writing otherwise. Co-owners must park their vehicles in the garage and in their Limited Common Element driveway, only, unless the Board of Directors has specifically approved otherwise in

writing and/or as may otherwise be set forth in rules and regulations promulgated pursuant to Section 11 of this Article VI. Garage doors shall be kept closed when not in use. Any non-assigned parking areas shall be reserved for the general use of the members and their guests. Commercial vehicles and trucks (except trucks designed and used primarily for personal transportation as herein provided) shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pick-ups in the normal course of business. For purposes of this Section, "commercial vehicle" means any vehicle that has any one of the following characteristics: (a) more than two (2) axles; (b) gross vehicle weight rating in excess of 10,000 pounds; (c) visibly equipped with or carrying equipment or materials used in a business; or (d) carrying a sign advertising or identifying a business. Noncommercial trucks, such as Suburbans, Blazers, Bravadas, Jeeps, GMC's/Jimmy's, pickups, vans and similar vehicles designed and used primarily for personal transportation, shall be permissible except as otherwise prohibited herein. Non-operational 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. In the event there arises a shortage of parking spaces, the Association may allocate or assign available General Common Element parking spaces, from time to time, on an equitable basis, in accordance with Article IV, Section 1(a) of the Master Deed. The Association may cause vehicles parked or stored in violation of this Section to be 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 above without liability to the Association. Co-owners shall, if the Association requires, 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 these provisions.

Section 9. Draperies and Curtains. All window treatments, draperies and/or curtains installed in windows in the Condominium shall, unless shuttered or equipped with venetian blinds, have neutral color liners, so as to maintain a uniform appearance when viewed from the exteriors of the Units.

Section 10. Advertising. 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 the written permission of the Association.

Section 11. Regulations. Reasonable rules or regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use and operation of the Condominium may be made and amended from time to time by the Board of Directors of the Association, and may have been made and amended by the First Board of Directors (or its successors appointed by the Developer prior to the First Annual Meeting of the Association). Copies of all such rules and/or 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 rule or regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all Co-owners.

Section 12. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit and any appurtenant Limited Common Elements from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be

necessary for the maintenance, repair or replacement of any of the Common Elements. This right of access shall include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to water meters, sprinkler controls and valves, sump pumps and other Common Elements located within any Unit or any appurtenant Limited Common Elements for monitoring, inspection, maintenance, repair or replacement thereof. The Association or its agents shall also have access to each Unit and any appurtenant Limited Common Elements at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit and/or to protect the safety and/or welfare of the inhabitants of the Condominium. It shall be the responsibility of each Co-owner to provide the Association means of access to his Unit and any appurtenant Limited Common Elements during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances, including without notice, and shall not be liable to such Co-owner for any necessary damage to his Unit and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access. In the event that it is necessary for the Association to gain access to a Unit or the contents of same or Limited Common Elements appurtenant to same which are under the control or possession of the Co-owner to make repairs to prevent damage to the Common Elements or to another Unit or to protect the safety and welfare of the inhabitants of the Condominium, the costs, expenses, damages, and/or attorney fees incurred by the Association in such undertaking shall be assessed to the responsible Co-owner and collected in the same manner as provided in Article II of these Bylaws.

Section 13. 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, 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 Master Deed (including Exhibits "A" and "B" thereto) and any amendments to the Master Deed, the Articles of Incorporation and any amendment thereto, and the rules and regulations, as amended, if any, 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 and other documents 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) Mortgagees not Subject to Section. The holder of any mortgage that 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, shall not be subject to the provisions of this Section 13.

Section 14. Co-owner Maintenance. Each Co-owner shall maintain his Unit and any appurtenant Limited Common Elements for which he has maintenance responsibility in a safe, clean and sanitary condition. In the event that a Co-owner fails to properly maintain, repair or replace an item for which he or she has maintenance, repair and/or replacement responsibility under the terms of the Master Deed, these Bylaws, or any other Condominium Document, the Association may, in the sole discretion of the Board of Directors and at its option, perform any such maintenance, repair and replacement following the giving of three (3) days written notice thereof to the responsible Co-owner of its intent to do so (except in the case of an emergency repair with which the Association may proceed without prior notice). The Association may assess the costs thereof to the Co-owner of the Unit as provided in Section 17 herein below. The aforesaid right of the Association to perform such maintenance, repair and replacement shall not be deemed an obligation of the Association, but, rather, is in the sole discretion of the Board of Directors. Each Co-owner shall also use due care to avoid damaging the Common Elements including, but not limited to, the telephone, water, plumbing, air conditioning compressors, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for 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 bear 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 15. Rights to Furtherance of Development and Sale; Right to Waive Requirements. None of the restrictions contained in this Article VI shall apply to the development and commercial activities or signs or billboards, if any, of the Developer, Newburgh Park L.L.C., nor, except to the extent specifically waived in writing by the Developer, to the building activities of any contractor which the Developer or the Architectural Control Committee has approved 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.

Section 16. Enforcement of Bylaws. The Condominium shall at all times be maintained in a manner consistent with the highest standards of an attractive, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. The provisions of this Section 16 shall not be construed to be a warranty or representation of any kind regarding the physical condition of the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any person to which it may assign this right, at its option, at any time during the Construction and Sales Period, notwithstanding that it may no longer own any Unit, may, but without any obligation to do so, maintain, repair and/or replace any Common Elements, and/or to do any landscaping required by these Bylaws and/or to enforce these Bylaws, 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, and in the event that the Developer or any such assignee shall exercise any of the foregoing rights it may charge the cost thereof to the Association as an expense of administration. Additionally, and notwithstanding that the Developer has surrendered the right to appoint and remove members of the Architectural Control Committee, the Developer has the right in its discretion to require that all, or certain, of the improvements, alterations or modifications described in said Section 3 first be approved or disapproved by the initial Developer or such assignee. The rights described in the preceding sentence may be exercised during the Construction and Sales Period at any time after the surrender of the initial Developer's right of appointment to the Architectural Control Committee. In the event that the Developer requires that all, or certain, of the improvements, alterations or modifications described in Section 3 first be approved or disapproved by the Developer or his assignee, the Developer at any subsequent time also may, by a signed writing delivered to the Board of Directors of the Association, decline, either generally or with respect to specific matters, and either permanently or temporarily, thereafter to exercise the rights herein reserved, and in the extent that it shall do so the architectural control process described in Section 3 of this Article VI alone thereafter shall apply. The exculpatory provisions of Subsection 3.A.1. of this Article VI also shall be construed to apply in their entirety to the foregoing architectural control activities of the Developer and/or its assignee, if exercised in accordance with this Section 16.

Section 17. Assessment of Costs of Enforcement. Any and all costs, damages, expenses and/or attorneys 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 Section 11 of this Article VI, and any costs, expenses, and attorneys' fees incurred in collecting said costs, damages, and any expenses incurred as a result of the conduct of less than all those entitled to occupy the Condominium Project, or by their licensees or invitees, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

ARTICLE VII **JUDICIAL ACTIONS AND CLAIMS**

Actions on behalf of and against the Co-owners shall be brought in the name of the Association. Subject to the express limitations on actions in these Bylaws, in the Association's Articles of Incorporation and under Michigan law, the Association may assert, defend or settle claims on behalf of all Co-owners in connection with the Common Elements. As provided in the Articles of Incorporation of the Association and these Bylaws, the commencement of any civil action (other than one to enforce these Bylaws or collect delinquent assessments) shall require the approval of a sixty-six and two-thirds percent (66- 2/3%) of all Co-owners, and shall be governed by the requirements of this Article VII. The requirements of this Article VII will ensure that the Co-owners are fully informed regarding the prospects and likely costs of any civil action the Association proposes to engage in, as well as the ongoing status of any civil actions actually filed by the Association. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid the waste of the Association's assets in litigation where reasonable and prudent alternatives to the litigation exist. Each Co-owner and the Developer shall have standing to sue to enforce the requirements of this Article VII. The following procedures and requirements apply to the Association's commencement of any civil action other than an action to enforce these Bylaws or to collect delinquent assessments:

Section 1. Board of Directors' Recommendation to Co-owners. The Association's Board of Directors shall be responsible in the first instance to recommend to the Co-owners that a civil action be filed, and to supervise and direct any civil actions that are filed.

Section 2. Litigation Evaluation Meeting. Before an attorney is engaged for purposes of filing a civil action on behalf of the Association, the Board of Directors shall call a special meeting of the Co-owners ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the Co-owners of the date, time and place of the litigation evaluation meeting shall be sent to all Co-owners not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8-1/2" x 11" paper:

- (a) A certified resolution of the Board of Directors setting forth in detail the concerns of the Board of Directors giving rise to the need to file a civil action and further certifying that:
 - (1) it is in the best interests of the Association to file a lawsuit;
 - (2) that at least one member of the Board of Directors has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the Association, without success;
 - (3) litigation is the only prudent, feasible and reasonable alternative; and
 - (4) the Board of Directors' proposed attorney for the civil action is of the written opinion that litigation is the Association's most reasonable and prudent alternative.
- (b) A written summary of the relevant experience of the attorney ("litigation attorney") the Board of Directors recommends be retained to represent the Association in the proposed civil action, including the:
 - (1) number of years the litigation attorney has practiced law; and
 - (2) name and address of every condominium and homeowner association for which the attorney has filed a civil action in any court, together with the case number, county and court in which each civil action was filed.
- (c) The litigation attorney's written estimate of the amount of the Association's likely recovery in the proposed lawsuit, net of legal fees, court costs, expert witness fees and all other expenses expected to be incurred in the litigation.
- (d) The litigation attorney's written estimate of the cost of the civil action through a trial on the merits of the case ("total estimated cost"). The total estimated cost of the civil action shall include the litigation attorney's expected fees, court costs, expert witness fees, and all other expenses expected to be incurred in the civil action.
- (e) The litigation attorney's proposed written fee agreement.
- (f) The amount to be specially assessed against each Unit to fund the estimated cost of the civil action both in total and on a monthly per Unit basis, as required by Section 6 of this Article VII.
- (g) The litigation attorney's legal theories for recovery of the Association.

Section 3. Independent Expert Opinion. If the lawsuit relates to the condition of any of the Common Elements, the Board of Directors shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Common Elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the Board of Directors shall conduct its own investigation as to the qualifications of any expert and shall not retain any expert recommended by the litigation attorney or any other expert recommended by the litigation attorney or any other attorney with whom the Board of Directors consults. The purpose of the independent expert opinion is to avoid any potential confusion regarding the condition of the Common Elements that might be created by a report prepared as an instrument of advocacy for use in a civil action. The independent expert opinion will ensure that the Co-owners have a realistic appraisal of the condition of the Common Elements, the likely cost of repairs to or replacement of the same, and the reasonable and prudent repair and replacement alternatives. The independent expert opinion shall be sent to all Co-owners with the written notice of the litigation evaluation meeting.

Section 4. Fee Agreement with Litigation Attorney. The Association shall have a written fee agreement with the litigation attorney, and any other attorney retained to handle the proposed civil action. The Association shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement unless the existence of the agreement is disclosed to the Co-owners in the text of the Association's written notice to the Co-owners of the litigation evaluation meeting.

Section 5. Co-owner Vote Required. At the litigation evaluation meeting, the Co-owners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Association (other than a suit to enforce these Bylaws or collect delinquent assessments) and the retention of the litigation attorney shall require the approval of Sixty-six and Two-thirds percent (66-2/3%) of all Co-owners. In the event the litigation attorney is not approved, the entire litigation attorney evaluation and approval process set forth in Section 2 herein above and in this Section 5 shall be conducted prior to the retention of another attorney for this purpose. Any proxies to be voted at the litigation evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation meeting.

Section 6. Litigation Special Assessment. All legal fees incurred in pursuit of any civil action that is subject to Section 1 through 10 of this Article VII shall be paid by special assessment of the Co-owners ("litigation special assessment"). Notwithstanding anything to the contrary herein, the litigation special assessment shall be approved at the litigation evaluation meeting by Sixty-six and Two-thirds percent (66-2/3%) of all Co-owners in the amount of the estimated total cost of the civil action. If the litigation attorney proposed by the Board of Directors is not retained, the litigation special assessment shall be in an amount equal to the estimated total cost of the civil action, as estimated by the attorney actually retained by the Association. The litigation special assessment shall be apportioned to the Co-owners in accordance with their respective percentage of value interests in the Condominium and shall be collected from the Co-owners on a monthly basis. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty-four (24) months.

Section 7. Attorney's Written Report. During the course of any civil action authorized by the Co-owners pursuant to this Article VII, the retained attorney shall submit a written report ("attorney's written report") to the Board of Directors every thirty (30) days setting forth:

- (a) The attorney's fees, the fees of any experts retained by the attorney or the Association, and all other costs of the litigation during the thirty (30) day period immediately preceding the date of the attorney's written report ("reporting period").
- (b) All actions taken in the civil action during the reporting period, together with copies of all pleadings, court papers and correspondence filed with the court or sent to opposing counsel during the reporting period.
- (c) A detailed description of all discussions with opposing counsel during the reporting period, written and oral, including, but not limited to, settlement discussions.
- (d) The costs incurred in the civil action through the date of the written report, as compared to the attorney's estimated total cost of the civil action.
- (e) Whether the originally estimated total cost of the civil action remains accurate.

Section 8. Monthly Board Meetings. The Board of Directors shall meet monthly during the course of any civil action to discuss and review:

- (a) the status of the litigation;
- (b) the status of settlement efforts, if any; and
- (c) the attorney's written report.

Section 9. Changes in the Litigation Special Assessment. If, at any time during the course of a civil action, the Board of Directors determines that the originally estimated total cost of the civil action or any revision thereof is inaccurate, the Board shall immediately prepare a revised estimate of the total cost of the civil action. If the revised estimate exceeds the litigation special assessment previously approved by the Co-owners, the Board shall call a special meeting of the Co-owners to review the status of the litigation, and to allow the Co-owners to vote on whether to continue the civil action and increase the litigation special assessment. The meeting shall have the same quorum and voting requirements as a litigation evaluation meeting.

Section 10. Disclosure of Litigation Expenses. The attorneys' fees, court costs, expert witness fees and all other expenses of any civil action filed by the Association ("litigation expenses") shall be fully disclosed to Co-owners in the Association's annual budget. The litigation expenses for each civil action filed by the Association shall be listed as a separate line item captioned "litigation expenses" in the Association's annual budget.

Section 11. Constructive Notice of Article. These Bylaws, from and after their recording in the office of the Wayne County Register of Deeds, shall constitute constructive notice of the requirements and limitations of this Article VII to all Co-owners, mortgagees and other persons who subsequently acquire an interest in any Unit in the Condominium.

ARTICLE VIII **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 to the holder of any first mortgage covering such Unit and the Co-owner is deemed to specifically authorize said action pursuant to these Bylaws. The Association shall give to the holder of any first mortgage covering any Unit 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 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 IX **VOTING**

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

Section 2. Eligibility to Vote. No Co-owner 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 to the Association. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article IX below or by a proxy given by such individual representative except as otherwise provided herein in Article III, Section 4 herein above.

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, sign petitions 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 Unit or Units owned by the Co-owner, and the name, address and telephone number of each person, firm, corporation, limited liability partnership, limited liability company, partnership, association, trust, or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided, but shall not be permitted to serve as an officer or director of the Association.

Section 4. Quorum. The presence in person or by proxy of thirty-five percent (35%) 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 or where voting in person is required by the Bylaws. The written absentee ballot of any person furnished at or prior to any duly called meeting at which 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 except where prohibited herein.

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, except as otherwise provided herein in Article III, Section 4, herein above. 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 percent (50%) 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 herein above set forth and may require a designated percentage of all Co-owners and may require that votes be cast in person.

ARTICLE X **MEETINGS**

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or 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 the members of the Association was convened and held on October 12, 2004.

Section 3. Annual Meetings. Annual meetings of Association members shall be held in the month of May in 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 XII of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 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. A Co-owner must be eligible to vote at a meeting of members

to validly sign a petition. 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, except for the Litigation Evaluation Meeting which notice requirements are prescribed in Article VII, Section 2, herein above. 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 IX, Section 3 of these Bylaws shall be deemed notice served. In lieu thereof, said notice may also be hand delivered to a Unit if the Unit address is designated as the voting representative's address, and/or the Co-owner is a resident of the Unit. Electronic transmittal of such notice, such as facsimile, E-mail and the like, may be deemed notice served in the sole discretion of the Board so long as written or electronic confirmation of receipt of the notice is returned to and received by the Association from the designated voting representative. 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 to attempt to obtain a quorum.

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 of the Association (except for the election or removal of directors) may be taken without a meeting, with or without prior notice, by written consent of the members, except for litigation referenced in Article III and Article VII above. Written consents may be solicited in the same manner as provided in Section 4 above for the giving of notice of meetings of members. Such solicitation may specify the percentage of consents necessary to approve the action, and the time by which consents must be received in order to be counted. The form of written consents shall afford an opportunity to consent (in writing) to each matter and shall provide that, where the member specifies his or her consent, the vote shall be cast in accordance therewith. Approval by written consent shall be constituted by receipt within the time period specified in the solicitation of a number of written consents which equals or exceeds the minimum number of votes that would be required for approval if the action were taken at a meeting at which all members entitled to vote were present and voted.

Section 9. Consent of Absentees. The transactions of any meeting of members, either annual or special, except the litigation evaluation meeting discussed in Article VII herein above and the litigation approval discussed in Article III, Section 4 herein above, 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 to truthfully evidence the matters set forth. A recitation in the minutes of any meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE XI
{INTENTIONALLY OMITTED}

ARTICLE XII
BOARD OF DIRECTORS

Section 1. Qualifications 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 who are not natural persons (i.e., corporations, limited liability companies, partnerships, etc.). Good standing shall be deemed to include a member who is current in all financial obligations owing to the Association and who is not in default of any of the provisions of the Condominium Documents. Directors shall serve without compensation.

Section 2. Election of Directors.

- (a) First Board of Directors. The Board of Directors shall be comprised of five (5) persons. Directors shall hold office until their successors are elected and hold their first meeting.
- (b) Election of Directors After First Annual Meeting.
 - (i) At the First Annual Meeting, three (3) directors were elected for a term of two (2) years and two (2) directors were 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) directors elected at the First Annual Meeting) of each director shall be two (2) years. The directors shall hold office until their successors are elected and hold their first meeting.
 - (ii) Annual meetings of Co-owners to elect directors and conduct other business shall be held in accordance with the provisions of Article X, 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 that 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 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 Association property and/or the Common Elements 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; provided, however, that, subject to the provisions of the Master Deed, any such action shall also be approved by affirmative vote of more than sixty percent (60%) of all Co-owners. The aforesaid sixty percent (60%) approval requirement shall not apply to sub-paragraph (h) below.
- (h) To grant such easements, licenses and other rights of entry, use and access, and to enter into any contract or agreement, including wiring agreements, utility agreements, right of way agreements, access agreements and multi-unit agreements, and to the extent allowed by law, contracts for sharing of any installation or periodic subscriber fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, antenna, multichannel multipoint distribution service and similar services (collectively "Telecommunications") to the Condominium or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which would violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or any other company or entity in connection with such service, including fees, if any, for the privilege of installing same, or sharing periodic subscriber service fees, shall be receipts affecting

the administration of the Condominium, within the meaning of the Act, except that same shall be paid over to and shall be the property of the Association.

- (i) 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 percent (60%) of all of Co-owners, unless same is a letter of credit and/or appeal bond for litigation, or unless same is for a purchase of personal property with a value of \$15,000.00 or less.
- (j) To make and enforce reasonable rules and regulations in accordance with Article VI, Section 11 of these Bylaws and such other applicable provisions 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.
- (k) 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 and/or the Architectural Control Committee any functions or responsibilities which are not by law or by the Condominium Documents required to be performed by the Board.
- (l) 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 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.
- (m) 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 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, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon ninety (90) days written notice 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 caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each person so elected shall serve until the next annual meeting of members, at which the Co-owners shall elect a director to serve the balance of the term of such directorship.

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, any one (1) or more of the directors may be removed with or without cause by the affirmative vote of more than fifty percent (50%) of all of the Co-owners eligible 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.

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. In lieu thereof, said notice may also be hand delivered or electronically transmitted, i.e., via facsimile, E-mail or the like, so long as written or electronic confirmation of receipt of the notice is returned by the director.

Section 10. Special 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. In lieu thereof, said notice may also be hand delivered or electronically transmitted, i.e., via facsimile, E-mail or the like, so long as written or electronic confirmation of receipt of the notice is returned by the director. 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 the 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. If, at any meeting of the Board, 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 that 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 shall constitute the presence of such director for purposes 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 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. Any member of the Association shall have the right to inspect, and make copies of, the minutes of the meetings of the Board; provided, however, that no member of the Association shall be entitled to review or copy minutes of meetings of the Board to the extent said minutes reference privileged communications between the Board 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.

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. Both the President and the Vice-President must be members of the Association; other officers may, but need not be, members of the Association. Members serving as officers shall be in good standing of the Association. The directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any two (2) offices except that of President and Vice-President may be held by one (1) person. Officers shall be compensated only upon the affirmative vote of more than sixty percent (60%) of all Co-owners.

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, 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 is absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint another 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.

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 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 to keep 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 from time-to-time may 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 XIV **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 XV **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. The non-privileged Association books, records, and contracts

concerning the administration and operation of the Condominium shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours, subject to such reasonable inspection procedures as may be established by the Board of Directors from time to time. 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 a Unit 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 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.

ARTICLE XVI

INDEMNIFICATION OF DIRECTORS AND OFFICERS; INSURANCE

Section 1. Indemnification of Directors and Officers. Every director and every officer of the Association (including the First Board of Directors and any other director and/or officer of the Association as was appointed by the Developer) shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and amounts 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, including actions by or in the right of the Association, 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 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 officer's personal benefit or other applicable statutory indemnification. 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 or other applicable statutory indemnification.

ARTICLE XVII **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 (1/3) or more of the Co-owners by instrument in writing signed by them.

Section 2. Meeting. Upon any such amendment being proposed, a meeting to consider 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 percent (66-2/3%) of all Co-owners entitled to vote as of the record date for such votes. 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 herein to the contrary, no amendment may be made to Article III, Section 4, and Article VII of these Bylaws at any time without the written consent of the Developer.

Section 4. Mortgagee Approval Requirement. Notwithstanding any other provision of the Condominium Documents to the contrary, mortgagees are entitled to vote on amendments to the Condominium Documents only when and as required by the Act. Moreover, insofar as permitted by the Act, these Bylaws shall be construed to reserve to the Co-owners the right to amend these Bylaws without the consent of mortgagees if the amendment does not materially alter or change the rights of mortgagees generally, or as may be otherwise described in the Act, notwithstanding that the subject matter of the amendment is one which in the absence of this sentence would require that mortgagees be afforded the opportunity to vote on the amendment. If, notwithstanding the preceding sentences, mortgagee approval of a proposed amendment to these Bylaws is required by the Act, the amendment shall require the approval of sixty-six and two-thirds percent (66-2/3%) of the mortgagees of Units entitled to vote thereon. Mortgagees are not required to appear at any meeting of Co-owners but their approval shall be solicited through written ballots in accordance with the procedures provided in the Act.

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

ARTICLE XVIII **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 a provision of the Master Deed, the provisions of the Master Deed shall govern. In the event any provision of these Bylaws conflicts with a provision of any rule or regulation of the Association, the provisions of these Bylaws shall govern.

ARTICLE XIX **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 XX **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, nonCo-owner resident, lessee, tenant and/or guest, the Association shall be entitled to recover from the Co-owner, nonCo-owner resident, lessee, tenant and guest, the pre-litigation 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, nonCo-owner resident, lessee, tenant and/or guest, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's 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's fees. The Association, if successful, shall also be entitled to recoup the costs and attorney's fees incurred in defending any claim, counterclaim or other matter from the Co-owner asserting the claim, counterclaim 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; provided, however, that judicial proceedings shall be instituted before items of construction are altered or demolished pursuant to this subsection. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.
- (d) Assessment of Fines. The violation of any of the provisions of the Condominium Documents, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, by any Co-owner, nonCo-owner resident, lessee, tenant and/or guest of his Unit, in addition to the rights set forth above, shall be grounds for assessment by the Association of a monetary fine for such violation against said Co-owner. 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 as prescribed in Article VI, Section 11 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, and/or as is set forth in the rules and regulations establishing the fine procedure. 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 Privileges. 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 any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 4. 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 XXI

RIGHTS WHICH WERE RESERVED TO DEVELOPER

Any or all of the rights and powers 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 the Developer or its successors shall expire and terminate, if not sooner assigned to the Association, upon 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 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 or for the benefit of the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, litigation rights, 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 XXII

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.

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