



TO:

The Terraces at Northville Ridge Association Co-owners

FROM:

Helene Haratsaris, Community Association Manager

Herriman & Associates, Inc.

DATE:

October 4, 2011

RE:

Condominium Association Document Amendment

The enclosed material represents a two year effort to revise the community's governing documents. The existing Articles of Incorporation, Master Deed and Bylaws, and Association Bylaws were created by the developer. The current documents do not necessarily reflect the best interests of the Association.

Please review the enclosed documents carefully. The contents will govern your community for many years to come. Also mark your calendar for Tuesday, November 1, 2011, 6:30 p.m., to attend a presentation by the Association attorney, Mark F. Makower, regarding the document amendments.

Mr. Makower will also answer any questions you may have at that time. The meeting will be held at the offices of Northville Township at the corner of Sheldon and Six Mile Road, 44405 Six Mile, Northville, MI 48168. Share a ride as parking is limited.

Whether you attend the meeting presentation or not, please be sure to cast your vote by proxy as indicated in the enclosed information. 66.67 % of the members must approve these changes in order for them to be adopted.



# THE TERRACES AT NORTHVILLE RIDGE DOCUMENT REVISION VOTING PACKAGE

# NOTICE OF VOTE ON AMENDMENT AND RESTATEMENT OF MASTER DEED, CONDOMINIUM BYLAWS, AND ARTICLES OF INCORPORATION

# TO: ALL CO-OWNERS OF THE TERRACES AT NORTHVILLE RIDGE

At a recent meeting, the Board of Directors of the Association resolved to submit to the members, for their vote and approval, the proposed Amended and Restated Master Deed, Amended and Restated Condominium Bylaws, Amended and Restated Association Bylaws, and amendment to the Articles of Incorporation. These documents are complete revisions of the existing Condominium Documents for The Terraces at Northville Ridge, and are intended for the purposes of meeting existing needs of the Condominium, simplifying and enhancing understanding and updating the Documents to remove outdated provisions and sections and to reflect the current provisions of the Michigan Condominium Act, as amended.

The proposed new documents have been approved by the Board of Directors for submission to the Co-owners for a vote, and will be discussed at a Special Informational Meeting of the members of the Association to be held on Tuesday, the 1st day of November, 2011, at 6:30 P.M., at the Northville Township offices located at Six Mile and Sheldon. Any questions you may have concerning these documents will be addressed at this meeting. **Please read them carefully and bring your questions.** 

# THE PROPOSED NEW DOCUMENTS ARE INCLUDED WITH THIS COMMUNICATION

In order to simplify voting, and to facilitate response by Co-owners, the Board is submitting these proposals to you for voting by way of Written Vote. Through this procedure, you will not be required to attend a meeting to register your vote, but instead your Written Vote as mailed to the Association or given to a member of the Board of Directors, will allow your vote to be tabulated by a stated deadline. Accordingly, you are hereby notified that votes will be received up to the close of business on Wednesday, December 16, 2011.

PLEASE NOTE THAT YOU MAY CAST YOUR VOTE AT THE SPECIAL INFORMATIONAL MEETING ON NOVEMBER 1, OR YOU MAY COMPLETE AND MAIL IN OR HAND THE WRITTEN VOTE ATTACHED HERETO TO A BOARD MEMBER BY DECEMBER 16, 2011.

After consideration of the proposed Amendments, please complete the Written Vote attached hereto to register your vote. Then, either submit the completed Written Vote at the Special Informational Meeting on November 1, 2011, hand the same to any member of the Board of Directors, or mail the same to the Association c/o Helene Haratsaris, Herriman and Associates at 41486 Wilcox, Plymouth, MI 48170, BEFORE December 16, 2011.

Provided the new documents are approved by the requisite number of Co-owners and mortgagees, each Co-owner will be furnished a new set of Condominium Documents, after they are recorded.

YOUR VOTE ON THESE PROPOSED CHANGES IS NEEDED
THE TERRACES AT NORTHVILLE RIDGE CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS

# INSTRUCTIONS

# **ENCLOSED WITH THIS PACKAGE YOU WILL FIND:**

- 1. NOTICE OF VOTE
- 2. INSTRUCTIONS
- 3. WRITTEN VOTE
- 4. MORTGAGEE INFORMATION REGISTRATION
- 5. DESIGNATION OF VOTING REPRESENTATIVE
- 6. COPIES OF THE REVISED AMENDED AND RESTATED MASTER DEED, AMENDED AND RESTATED CONDOMINIUM BYLAWS, AMENDED AND RESTATED ASSOCIATION BYLAWS AND PROPOSED AMENDMENT TO THE ARTICLES OF INCORPORATION OF THE ASSOCIATION

## **INSTRUCTIONS FOR USE**

- FULLY READ AND BECOME FAMILIAR WITH THE PROPOSED NEW DOCUMENTS
- IF YOU HAVE ANY QUESTIONS PLEASE MAKE SURE TO ATTEND THE SPECIAL INFORMATIONAL MEETING OF MEMBERS TO BE HELD ON TUESDAY, NOVEMBER 1, 2011, AT WHICH MEETING QUESTIONS WILL BE ANSWERED.
- COMPLETE THE MORTGAGEE INFORMATION REGISTRATION SHEET (if you have no mortgage simply state "no mortgage" on the line requesting the name of the mortgage company)
- COMPLETE THE DESIGNATION OF VOTING REPRESENTATIVE FORM IF YOU HAVE NOT PREVIOUSLY GIVEN SUCH A FORM TO THE MANAGEMENT COMPANY
- ONCE YOU ARE READY TO VOTE, <u>FULLY COMPLETE</u> ALL REQUESTED INFORMATION ON THE WRITTEN VOTE, AND MARK YOUR VOTE
- SUBMIT YOUR MORTGAGEE INFORMATION REGISTRATION, DESIGNATION OF VOTING REPRESENTATIVE AND WRITTEN VOTE TO REGISTER YOUR VOTE. YOU MAY DO THIS THE FOLLOWING WAYS:
  - Submit Mortgagee Information Registration, Voter Designation and Written Vote to the Association by giving it to a member of the Board of Directors
  - Submit Mortgagee Information Registration, Voter Designation and Written Vote to the Association by bringing the same to the Special Informational Meeting to be held on November 1, 2011.
  - Submit Mortgagee Information Registration, Voter Designation and Written Vote to the Association by mailing them to The Terraces at Northville Ridge Condominium Association, c/o Helene Haratsaris, Herriman and Associates at 41486 Wilcox, Plymouth, MI 48170, TO ARRIVE ON OR BEFORE December 16, 2011.

THANK YOU FOR YOUR PARTICIPATION

# WRITTEN VOTE/BALLOT

Pursuant to Article IX, Section 8 of the Condominium Bylaws of The Terraces at Northville Ridge, the undersigned, do hereby cast my written vote as shown below relative to approval of the Proposed Amended and Restated Master Deed, Amended and Restated Condominium Bylaws, and amendment to the Articles of Incorporation, as set forth in the NOTICE OF VOTE ON AMENDMENT AND RESTATEMENT OF MASTER DEED, CONDOMINIUM BYLAWS, AND ARTICLES OF INCORPORATION. I understand that the quorum for action is at most 99 voting members (35% of all Co-owners eligible to vote in number and value): the number of affirmative votes needed for the proposal to pass is at most 180 votes (2/3 of all Co-owners eligible to vote), and that all written votes must be submitted to the Association by December 16, 2011.

Please complete this form and return it to the Association by handing it to a Board member or mailing the same to The Terraces at Northville Ridge Condominium Association, c/o Helene Haratsaris. Herriman and Associates at 41486 Wilcox, Plymouth, MI 48170, BEFORE December 16, 2011.

I have ex	ecuted this Written Vote on	, 2011.
	(DATE	E MUST BE INSERTED)
(signatur	e) (REQUIRED)	(name) (REQUIRED)
(unit no.)	or (address) (REQUIRED)	
	200	<u>VOTE #1</u>
		ended and Restated Master Deed, Amended and Restated mendment to the Articles of Incorporation.
		ed Amended and Restated Master Deed, Amended and ws, and amendment to the Articles of Incorporation.
NOTE:		ST BE EXECUTED BY THE DESIGNATED VOTING THE SUBJECT UNIT, OR IN THE ABSENCE OF

SUCH DESIGNATION, ALL OWNERS OF THE SUBJECT UNIT.

Only one vote is allowed per unit.

PLEASE BE SURE TO SIGN AND DATE THIS FORM!

# REGISTRATION OF MORTGAGEE INFORMATION

In accordance with Article VII, Section 1, of The Terraces at Northville Ridge Condominium Bylaws, each Co-owner is responsible for providing the Association with current information on the name and address of each person or entity holding a mortgage on a Unit in The Terraces at Northville Ridge. The Association has the responsibility of keeping this information on file so that it may notify mortgagees in certain instances as required by the Michigan Condominium Act. The Association is updating this information at this time. YOUR VOLUNTARY COMPLIANCE IN COMPLETING AND RETURNING THIS FORM WILL SAVE THE ASSOCIATION THE EXPENSE OF OBTAINING THIS INFORMATION FROM THE REGISTER OF DEEDS – THERE WILL BE A CHARGE OF \$50 PER UNIT POSTED TO THE ACCOUNT OF ANY OWNER WHO DOES NOT RETURN THIS INFORMATION BEFORE DECEMBER 16, 2011.

Please complete this form and return it to the Association by handing it to a Board member or mailing the same to The Terraces at Northville Ridge Condominium Association, c/o Helene Haratsaris, Herriman and Associates at 41486 Wilcox, Plymouth, MI 48170, BEFORE December 16, 2011.

NAME OF MORTGAGE COMPANY OR INDIVIDUAL HOLDING MORTGAGE		
ADDRESS TO WHICH PAYMENTS ARE SENT		
HOMEOWNER NAME(S)		
UNIT NUMBER STREET ADDRESS		
LOAN NUMBER		

# THE TERRACES AT NORTHVILLE RIDGE CONDOMINIUM ASSOCIATION <u>DESIGNATION OF VOTING REPRESENTATIVE</u>

The undersigned, being the Co-owner(s	e) of Condominium Unit No
(ADDRESS:	) in The Terraces at Northville
Ridge, hereby designate(s)	pursuant to the Condominium Bylaws, as
the individual representative who shall vote at m	eetings of the Association and receive all
notices and other communications from the Asso	ociation on behalf of the undersigned Co-
owner(s).	
The address at which such designee shall recei	ive notices is:
It is agreed that the above designated individu	al may cast the vote for said Unit and be
counted for quorum purposes at any meeting of the	Association.
NOTE: ALL OWNERS OF THE UNIT MUST SIGN	
Co-owner	Co-owner
Co-owner	Co-owner
Dated:, 2011	
Please complete this form and return it to the Associ	ation by handing it to a Board member or
mailing the same to The Terraces at Northville Ridg	e Condominium Association, c/o Helene
Haratsaris, Herriman and Associates at 41486 Wilc	ox Plymouth Mi 48170 REFORE

December 16, 2011.

# AMENDED AND RESTATED MASTER DEED OF THE TERRACES AT NORTHVILLE RIDGE CONDOMINIUM (ACT 59, PUBLIC ACTS OF 1978 AS AMENDED) WAYNE COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 672

This Amended and Restated Master Deed is made and executed on this \_\_\_\_\_\_ day of \_\_\_\_\_\_, 2011, by The Terraces At Northville Ridge Condominium Association, a Michigan Nonprofit Corporation, hereinafter referred to as "Association", whose office is c/o 41486 Wilcox, Plymouth, MI 48170, the ("Association"), represented herein by \_\_\_\_\_\_, the President of The Terraces At Northville Ridge Condominium Association, who is fully empowered and qualified to act on behalf of the Association, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act."

#### WITNESSETH:

WHEREAS, the Association desires by recording this Amended and Restated Master Deed, together with the Amended and Restated Condominium Bylaws attached hereto as Exhibit "A", and the Condominium Subdivision Plan attached to the original Master Deed as Exhibit "B" (as amended by Replat No. 1), which is hereby incorporated by reference and made a part hereof as Exhibit B, to reaffirm the establishment of the real property described in Article II below, together with all of the improvements now located upon such real property and the appurtenances thereto, as a residential condominium project under the provisions of the Condominium Act of Michigan. The original Master Deed and Exhibits A and B for The Terraces At Northville Ridge Condominium, recorded in Liber 36742, Pages 127 et seq., together with the First Amendment thereto, recorded in Liber 38638, Pages 72 et seq., and Second Amendment recorded in Liber 42287, Pages 3 et seq., Wayne County Records, is superseded and replaced by this Amended and Restated Master Deed and Exhibit A. The Condominium Subdivision Plan attached to the original Master Deed as Exhibit "B" (as amended by Replat No. 1), is retained and incorporated herein by reference as Exhibit B, hereof.

NOW THEREFORE, the Association does, upon the recording hereof, reaffirm the establishment of The Terraces At Northville Ridge Condominium as a Condominium under the Condominium Act and does declare that The Terraces At Northville Ridge Condominium (hereinafter referred to as the "Condominium", "Project" or the "Condominium Project"), shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set

forth in this Amended and Restated Master Deed and Exhibits "A" and "B" applicable hereto, all of which shall be deemed to run with the real property described in Article II below and shall be a burden and a benefit to the Association, its successors and assigns, and any persons acquiring or owning an interest in such real property, their grantees, successors, heirs, executors, administrators and assigns. In furtherance of the establishment of the Condominium Project, it is provided as follows:

#### ARTICLE I

## TITLE AND NATURE

Section 1. <u>Condominium Name and Subdivision Plan No.</u> The Condominium shall be known as The Terraces At Northville Ridge Condominium, Wayne Condominium Subdivision Plan No. 672, consisting of 282 Units numbered 1-282. The Condominium Project is established in accordance with the Act.

Section 2. Condominium Units and Co-owner Rights of Access to Common Elements. The Units contained in the Condominium, including the number, boundaries and dimensions of each Unit therein, are set forth completely in the Condominium Subdivision Plan applicable to this Amended and Restated Master Deed as Exhibit "B" - the Condominium Subdivision Plan attached to the original Master Deed as Exhibit "B" (as amended by Replat No. 1). Each Unit is capable of individual utilization on account of having its own access to a Common Element of the Condominium Project. Each Co-owner in the Condominium Project shall have an exclusive right to his Unit and shall have undivided and inseparable rights to share with the other Co-owners the Common Elements of the Condominium Project as are designated by the Amended and Restated Master Deed.

Section 3. <u>Voting</u>. Co-owners shall have voting rights in The Terraces At Northville Ridge Condominium Association as set forth herein, in the Amended and Restated Condominium Bylaws and Articles of Incorporation of such Association.

#### **ARTICLE II**

# **LEGAL DESCRIPTION**

The land which comprises the Condominium Project, as amended, is particularly described as follows:

Land in the East 1/2 Section 18, T1S-R8E, Northville Township, Wayne County, Michigan, beginning at the East ¼ line of Section 18 and proceeding along the East line of section 18, said line being the centerline of Ridge Road (60 feet wide, ½ width) S 00°05'06" E, 438.70 Feet; Thence S 89°54'54" W, 215.00 Feet; Thence S 00°05'06" E, 100.00 Feet; Thence N 89°54'54" E, 215.00 Feet; Thence along the East line of said Section 18 and Ridge Road centerline S 00°05'06" E, 71.30 Feet; Thence S 66°47'42" W, 32.58 Feet; Thence S 75°53'46" W, 191.91 Feet; Thence S 74°04'49" W, 399.39 Feet; Thence S 77°30'18" W, 216.23 Feet; Thence the following five courses along the Reserve at Northville Ridge Condominium, Wayne County Condominium Subdivision Plan No. 712, N 83°45'28" W, 239.36 Feet and N 47°11'15" W, 334.21 Feet and

N 11°36'15" W, 234.31 Feet and N 02°47'27" E, 232.27 Feet and N 52°08'34" W, 631.07 Feet; Thence along the following ten courses along the Meadows of Northville Ridge Condominium, Wayne County Condominium Subdivision Plan No. 670, N 37°51'26" E, 449.28 Feet; Thence 123.33 Feet along the arc of a non tangent curve to the left, Radius 75.00 Feet, Central Angle 94°12'59" and a Chord that bears S 75°40'22" E, 109.90 Feet; Thence S 60°35'56" E, 109.52 Feet; Thence 142.42 Feet along the arc of a curve to the right, Radius 965.00 Feet, Central Angle 08°27'21 and a Chord that bears S 56°22'16" E, 142.29 Feet; Thence S 52°08'35" E, 123.89 Feet; Thence 588.98 Feet along the arc of a curve to the left, Radius 1135.00 Feet, Central Angle 29°43'55" and a Chord that bears S 67°00'32" E, 582.39 Feet; Thence S 81°52'30" E, 87.61 Feet; Thence 105.07 Feet along the arc of a curve to the right, Radius 500.00 Feet, Central Angle 12°02'25" and a Chord that bears S 75°51'18" E, 104.88 Feet to a point of reverse curvature and 175.19 Feet along the arc of a curve to the left, Radius 500.00 Feet, Central Angle 20°04'33" and a Chord that bears S 79°52'28" E, 174.50 Feet and S 89°54'38" E, 177.85 Feet to the West line of Ridge road; Thence proceeding along said west line of Ridge Road S 00°05'22" W, 99.33 Feet; Thence N 89°14'21" E, 60.00 Feet to the Point of Beginning; Containing 33.33 Acres More Or Less.

# **ARTICLE III**

## DEFINITIONS

Section 1. General Description of Terms Used. Certain terms are utilized not only in this Amended and Restated Master Deed and Exhibits "A" and "B" applicable hereto, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation and Rules and Regulations of The Terraces At Northville Ridge Condominium Association, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in The Terraces At Northville Ridge Condominium, as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

- A. The "Act" or "Condominium Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended. If any provision of this Amended and Restated Master Deed or its exhibits is found to conflict with any provision of the Act, or if any provision required by the Act is omitted herefrom, then the provisions of the Act are incorporated herein by reference and shall supersede and cancel any conflicting provision hereof.
- B. "Association" or "Association of Co-owners" means The Terraces At Northville Ridge Condominium Association, a non-profit corporation organized under Michigan law of which all Co-owners are members, which corporation shall administer, operate, manage and maintain the Condominium in accordance with all applicable laws and the Condominium Documents. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

- C. "Association Bylaws" or "Corporate Bylaws" shall refer to those portions of the Amended and Restated Condominium Bylaws of The Terraces At Northville Ridge Condominium Association, pertaining to operation of the Michigan non-profit corporation organized to manage, maintain and administer the Condominium.
- D. "Unit" or "Condominium Unit" each mean a single complete Unit in The Terraces At Northville Ridge Condominium, as such may be described in Article VI hereof and on Exhibit B applicable hereto, and shall have the same meaning as the term "Condominium Unit" as defined in the Act.
- E. "Amended and Restated Condominium Bylaws" means Exhibit "A" hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-owners.
- F. "Condominium Documents", wherever used, means and includes this Amended and Restated Master Deed and Exhibit "A" hereof, the Condominium Subdivision Plan attached to the original Master Deed as Exhibit "B" (as amended by Replat No. 1), together with the Articles of Incorporation and Rules and Regulations, if any, of the Association.
- G. "Condominium Premises" means and includes the land and the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging to Condominium as described above.
- H. "Condominium Project", "Condominium" or "Project" means The Terraces At Northville Ridge Condominium as a Condominium Project established in conformity with the provisions of the Act.
- I. "Condominium Subdivision Plan" means the Condominium Subdivision Plan attached to the original Master Deed as Exhibit "B" (as amended by Replat No. 1), which is hereby incorporated by reference and made a part hereof as Exhibit "B".
- J. "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more Units in the Condominium. The term "owner", wherever used, shall be synonymous with the term "Co-owner". Both Land Contract vendees and vendors shall be considered Co-owners, and shall be jointly and severally liable for all obligations and responsibilities of Co-owners under the Condominium Documents of The Terraces At Northville Ridge Condominium and the Act. Lessees are not considered Co-owners; Lessors are the Co-owners and are responsible for any and all actions of their tenants and guests.
- K. "Developer" shall refer to MJC Northville Ridge, LLC, a Michigan Limited Liability Company, which made and executed the original Master Deed, and its successors and assigns.
- L. "Common Elements" where used without modification means both the General and Limited Common Elements described in Article IV hereof, and does not refer to Condominium Units.
- M. "Amended and Restated Master Deed" means this document which when recorded shall reaffirm the establishment of the Condominium, and to which the Amended and Restated Condominium Bylaws are attached, and the Condominium Subdivision Plan

attached to the original Master Deed as Exhibit "B" (as amended by Replat No. 1), is made applicable.

- N. "Percentage of Value" means the percentage assigned to each Condominium Unit in Article VI hereof. The percentages of value of all Units shall total one hundred (100%) percent. Percentages of value shall be determinative only with respect to those matters to which they are specifically deemed to relate either in the Condominium Documents or in the Act. Percentages of value for each Condominium Unit have been determined with reference to reasonably comparative characteristics.
- O. "Person" means an individual, firm, corporation, partnership, association, trust, or other legal entity, or any combination thereof.
- P. "Record" means to record pursuant to the laws of the State of Michigan relating to the recording of deeds.

Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference shall also be included to the plural where the same would be appropriate.

#### **ARTICLE IV**

#### **COMMON ELEMENTS**

**Section 1.** <u>Common Elements</u>. The Common Elements of the Condominium described below and in the Condominium Subdivision Plan and the respective responsibilities for maintenance, decoration, repair or replacement thereof are as follows:

# A. <u>General Common Elements</u>. The General Common Elements are:

- (1) <u>Land</u>. The land described in Article II hereof, including the roads, open space areas, sidewalks and pathways not designated as Limited Common Elements, and Community Mailboxes;
- (2) <u>Electrical</u>. The electrical transmission system throughout the project, including that contained within Unit walls, up to the point of connection with electrical fixtures, plugs and switches within any Unit, together with all security lighting controlled by Association meters, including the building security lights and the coach lights on the sides of the porches;
- (3) Gas. The gas distribution system throughout the project including that contained in Unit walls, up to the point of connection with gas fixtures within any Unit;
- (4) <u>Water Distribution</u>. The water distribution system throughout the Project, including that contained in Unit walls, up to the point of connection with plumbing fixtures (which term shall include shut-off valves) within any Unit;
- (5) <u>Telephone and Telecommunication</u>. The telephone and telecommunication systems throughout the Project up to connections to provide service to individual Units;

- (6) Storm Drainage. The storm drainage systems throughout the Project;
- (7) <u>Sanitary Sewer</u>. The sanitary sewer system throughout the Project, including that contained in Unit walls, up to the point of connection with plumbing fixtures within any Unit;
- (8) <u>Construction</u>. The foundations, supporting columns, Unit perimeter walls (excluding windows and doors therein), roofs, ceilings, floor construction between Unit levels, and chimneys;
- (9) <u>Irrigation</u>. The irrigation system throughout the Project, including wells, sheds, pumphouses, water lines, valves, sprinkler heads, timers, pumps and electrical equipment;
- (10) Other. All elements of the project not herein designated as General or Limited Common Elements which are not enclosed within the boundaries of a Condominium Unit which are not designated as Limited Common Elements in Exhibit "B" or in subsection B of this Article and which are intended for common use or necessary to the existence, upkeep and safety of the project, such as the mailbox clusters and structures.

Some or all of the utility lines, systems (including mains and service leads) and equipment described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment shall be General Common Elements only to the extent of the Co-owners' interest therein, if any.

Some or all of the utility lines, systems (including mains and service leads) and equipment, described above ("utility system") service single buildings containing more than one condominium unit. Accordingly, and where necessary or applicable, there shall be an easement for that common element through each condominium unit to enable the utility system to appropriately serve each of the condominium units in the subject building.

- B. <u>Limited Common Elements</u>. Limited Common Elements shall be subject to the exclusive use and enjoyment of the owner of the Unit(s) to which the Limited Common Elements are appurtenant or assigned on the Condominium Subdivision Plan. The Limited Common Elements are:
- (1) <u>Entry Porches</u>. Each individual entry porch is limited in use to the Coowner of the Unit which opens onto such porch, as shown on the Condominium Subdivision Plan;
- (2) <u>Balconies, Patios</u>. Each individual balcony and/or patio in the Project (together with all permitted improvements thereon, divider walls and pillars) shall be limited in use to the Co-owner of the Unit which opens into such balcony or patio as shown on the Condominium Subdivision Plan;
- (3) <u>Air Conditioning</u>. Each individual air compressor is restricted in use to the Co-owner of the Unit which such equipment services;

- (4) <u>Garages and Driveways</u>. Each garage and adjacent driveway shall be limited in use to the Co-owners of the Units to which they are assigned, as shown on the Condominium Subdivision Plan:
- (5) <u>Garages Doors and Openers</u>. Each garage door and garage door opener shall be limited in use to the Co-owners of the Units to which they are assigned, as shown on the Condominium Subdivision Plan;
- (6) <u>Windows and Doors</u>. Windows and doors shall be appurtenant as Limited Common Elements to the Units which they serve:
- (7) <u>Interior Surfaces</u>. Interior surfaces of Unit perimeter walls, ceilings, and floors contained within a Unit shall be subject to the exclusive enjoyment and usage of the Co-owner of each such Unit;
- (8) Other. Such other elements of the Project, not enclosed within a Unit, which are appurtenant to and/or benefit one or more Units, though less than the entire Project, shall be Limited Common Elements. This shall also include any materials changed or added or improvements made to General Common Elements by Unit Owners or others, other than those shown in the Developer's standard unit plans.
- C. Responsibility. Subject at all times to the Association's exclusive right and obligation to control and approve the exterior appearance and use of all Units, including structures, landscaping and improvements appurtenant thereto, and appurtenant Limited Common Elements, as set out herein and in the relevant sections of Article VI of the Amended and Restated Condominium Bylaws (Exhibit "A" to this Amended and Restated Master Deed) and Rules and Regulations promulgated in accordance therewith, the respective responsibilities for the maintenance, decoration, repair and replacement of the Units and Common Elements comprising the Condominium are as follows:

# (1) <u>Co-owner Responsibilities:</u>

- (a) Unit, Limited Common Elements. The primary responsibility for cleaning, maintenance, decoration, repair and replacement, including all costs associated therewith, of a Unit, including all fixtures, improvements and personal property located therein or elsewhere throughout the Project, and the Limited Common Elements assigned or appurtenant thereto, except for the driveways as stated in subparagraph II below, shall be borne by the Co-owner of the Unit. Shared Limited Common Elements, such as patio or balcony divider walls shall be shared equally by the adjacent units sharing the same.
  - (I) Additional Responsibilities of Co-owners. In addition to, or in clarification of, the Co-owner's responsibility under this Article IV, Section 1C.(1)(a), each Co-owner shall be specifically responsible for the cost of decorating, maintaining, repairing and replacing the following items, even though some items or portions thereof are designated as General Common Elements:

- (i) All appliances and equipment within the Unit and supporting hardware, including, but not limited to, generators, furnace, air conditioner, compressor pad and related ductwork, humidifier, air cleaner, any personal alarm system, garbage disposal, dishwasher, range, oven, microwave, refrigerator, vent fans and related ductwork, dryer venting, vent covers and filters, fireplaces, flues, dampers and chimneys (except exterior surfaces) and individual hot water heaters;
- (ii) The water and gas lines, pipes, valves and fixtures from the point of entry into the Unit (protruding from the wall), even though part of the system may be designated as a General Common Element;
- (iii) Electrical lines, wires, outlets, switches, boxes, circuit breakers and fixtures from and including the breaker box servicing the Unit, even though part of the system may be designated as a General Common Element;
- (iv) All drain lines from the point that such line first enters a Unit, even though part of the system may be designated as a General Common Element;
- (v) All cabinets; counters; interior trim, interior doors; closet doors; sinks; tile, either floor or wall; and related hardware;
- (vi) All improvements or decorations, including, but not limited to, paint, wallpaper, window treatments, carpeting or other floor coverings and trim, regardless if the same is damaged or removed as a result of the malfunction of a General Common Element or as a result of the Association performing its maintenance, repair or replacement responsibilities as to a General Common Element;
- (vii) Interior drywall, ceilings, attic insulation, interior wall construction and flooring, basement floor slabs and garage floor slabs (even though some of these elements may be designated as a General Common Element), including the restoration of same after Association repair of roof, wall, siding, foundation or floor cracks and/or leaks;
- (viii) All doors, windows, doorwalls and skylights, including frames, storms, screens, seals, sweeps

- and hardware, and the garage door including tracks, springs, remotes and all related hardware;
- (ix) Co-owner landscaping and plantings, wherever located;
- (x) Garage door openers and remote systems;
- (xi) Snow removal from balconies and patios;
- (xii) The cost of maintenance, repair and replacement of all items referred to in Article V, Section 3 of the Condominium Bylaws shall be borne by the Coowner, except as otherwise provided in the Condominium Documents.
- (xiii) All other items not specifically enumerated above, but which are located within the boundaries of a Unit.
- (II) <u>Limited Common Elements for which the Association is Responsible</u>. The Association shall, except in cases of Coowner fault, be responsible for the costs of maintenance, repair and replacement of the driveways defined in Section B(4) as expenses of administration.
- (b) <u>Utility Charges</u>. All individually metered utility services shall be borne by the Co-owner of the Unit to which such services are furnished. Water shall be furnished by the Association as an expense of administration until such time as the same is individually metered or measured, provided however, that the Association shall have the right to reasonably surcharge any Unit or group of Units for usage above and beyond that used on average in the Condominium by other Units or groups of Units.
- (¢) Co-owner Additions, Modifications. Co-owner improvements. additions or modifications, even though approved by the Association or installed upon purchase (such as skylights), shall not be considered Limited or General Common Elements in any case, and shall be the complete responsibility of the Co-owner. Should the Association require access to any elements of the Project which require the moving or destruction of all or part of any such addition or modification, all costs, damages and expenses involved in providing access and restoring the addition or modification shall be borne by the Co-owner. Further, if a basement or garage is partially or fully "finished" the Association shall have no obligation to refinish, repair, replace or restore any such improvements or betterments, even in cases of damage caused by or from Association responsibility items or the exercise of the Association's responsibilities. In such cases, the

Association's sole responsibility will be to correct the root problem that is its responsibility under the provisions of the Condominium Documents. The Co-owner shall be responsible for uncovering the element needing repair to allow the Association access, and shall provide such access and all restoration at the Co-owner's sole expense.

- (d) A/C Drain Lines and Drain Pans. Co-owners are obligated to check and have serviced on a regular basis (no less than biannually) their A/C condensation and drain lines and all drain pans to ensure that there are no obstructions and such equipment is properly functioning and is not blocked or otherwise causing damage to adjacent Units.
- (e) Co-owner Fault. Any and all costs for maintenance, decoration, repair and replacement of any Common Element caused by the intentional or unintentional act(s) of any Co-owner, or family, guests, tenants or invitees of a Co-owner, shall be borne by the Co-owner. The Association may incur such costs and charge and collect them from the responsible Co-owner in the same manner as an assessment in accordance with Article II of the Amended and Restated Condominium Bylaws.
- Repair to Association Specifications. All maintenance, repair and replacement obligations of the Co-owners as described above and as provided in the Condominium Bylaws shall be performed subject to the Association's mandatory prior approval and control with respect to color, style, timing, material and appearance. In the event of failure by a Co-owner to follow such specifications and approval requirements, the Co-owner shall be assessed for, and shall be responsible for, all costs of correction and for bringing the altered element into conformity with these requirements, including but not limited to, possible complete removal and replacement.

# (2) <u>Association Responsibilities</u>:

- (a) General Common Elements. The costs of maintenance, decoration, repair and replacement of all General Common Elements (with the exception of those assigned to Co-owners elsewhere herein), and those Limited Common Elements for which the Association is assigned responsibility in Subsection 1(a)II, above shall be borne by the Association, in accordance with the provisions of this Article and the Amended and Restated Condominium Bylaws.
- (b) <u>Unauthorized Repair</u>. The Association shall not be obligated to reimburse Co-owners for repairs that the Co-owner makes or contracts for. The Association shall only be responsible for

payments to contractors for work authorized by the Board of Directors or by the management company hired by the Association.

(3) <u>Unusual Expenses</u>. Any other unusual common expenses benefiting less than all of the Condominium Units, or any expenses incurred as a result of the conduct of less than all of those entitled to occupy the Condominium Project, or by their licensees or invitees, shall be specifically assessed against the Condominium Unit or Condominium Units involved in accordance with Section 69 of the Michigan Condominium Act.

General Common Element Common Area Maintenance of the General Common Element roads shall include, but not be limited to filling chuck holes, grading, regrading, paving, repaving, surfacing, resurfacing, cutting of weeds, maintenance of drainage ditches, and the removal of the snow and ice. Developer and upon transfer of responsibility to the Association, the Association covenants and agrees to pay the Township for all damages for injuries to real or personal property and/or bodily injury sustained by the Township growing out of any act or deed or any omission to act of the Association in connection with the performance of these maintenance duties. Developer and upon transfer of responsibility to the Association, the Association covenants and agrees to indemnify, save, and keep the Township harmless against all liability, judgments, costs, damages, and expense of and from any and all claims of any kind or nature whatsoever which may in any way come against the Township for or on account of personal injuries or injuries to real or personal property caused, or claimed to have been caused, as a result of the performance of these maintenance duties, including court costs and reimbursement of attorney fees. The maintenance provisions contained in this Article IV. Section 2, shall not be amended in any way without the prior written consent of the Township. If the Association fails to properly maintain the General Common Element Common Areas (Including, but not limited to roads, open space areas, sidewalks, pathways and the detention basin, but specifically excluding Community Areas which are the responsibility of the Northville Ridge Master Community Association) in reasonable condition and order, the Charter Township of Northville ("Township") has a right, but not the duty, to maintain the General Common Element Common Areas and to charge the owners for all costs and expenses incurred. The Township shall notify the Co-owners of its intent to cause any construction or maintenance to be performed by written notice to the owners at the address on the Township tax rolls and shall give the owners thirty (30) days to complete the work before the Township shall do so. The Township may demand payment upon written notice to the parties/owners at the address set forth on the Township tax rolls. In addition to other methods of collection, the Township shall have the right to place an assessment for the charges incurred on the Township tax roll and to collect such assessments in the same manner as any Township property tax or assessment Such charges and assessments shall be a lien upon the Units of the Condominium

Section 3. <u>Township Maintenance Agreements</u>. Developer has entered into a certain Storm Drainage System Maintenance Agreement and a certain Bike Path Maintenance Agreement (Township Maintenance Agreements") with Northville Township. The Association shall assume all responsibility for the maintenance obligations under the Township Maintenance Agreements upon transfer of responsibility from the Developer.

# **ARTICLE V**

# **USE OF PREMISES**

No Co-owner shall use his or her Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of his or her Unit or the Common Elements.

# **ARTICLE VI**

# CONDOMINIUM UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 1. Condominium Unit Description. Each Unit in the Project is described in this paragraph with reference to the Condominium Subdivision Plan of The Terraces At Northville Ridge Condominium attached to the original Master Deed as Exhibit "B" (as amended by Replat No. 1) as prepared by Zeimet/Wozniak & Associates, Inc., and made applicable hereto as Exhibit "B". Each Unit shall include all that space contained within the finished unpainted walls and ceilings and from the finished sub-floor all as shown on the floor plans and sections in Exhibit "B" applicable hereto and delineated with heavy outlines.

In the event that the dimensions of any Unit differ from the dimensions shown on the Condominium Subdivision Plan, then the Condominium Subdivision Plan shall be deemed to be automatically changed to the extent of the measured dimensions.

Section 2. <u>Calculation of Percentage of Value</u>. The percentage of value assigned to each Unit is equal. The percentage of value assigned to each Unit shall be determinative of the proportionate share of each respective Co-owner in the proceeds and expenses of the administration (except to the extent modified by the assignment of responsibility for expenses contained in Article IV hereof), the undivided interests of the Co-owner in the Common Elements and the value of each Co-owner's vote at meetings of the Association of Co-owners. The total percentage value of the Project is 100. The Developer determined percentages of value based upon "comparative characteristics of the Units".

#### **ARTICLE VII**

#### **EASEMENTS**

Section 1. <u>Easements For Encroachment, Utilities, and Support.</u> In the event any Condominium Unit or Common Element encroaches upon another Unit or Common Element, whether by deviation from the plans in the construction, repair, renovation, restoration, or replacement of any improvement, or by reason of the settling or shifting of any land or improvement, a valid easement for the encroachment shall exist, except to the extent limited by Section 40 of the Act.

There shall be easements to, through and over those portions of the land, structures, buildings, improvements and walls contained therein for the installation, maintenance and servicing of all utilities in the Condominium, including, but not limited to, lighting, heating, power, sewer, water and communications including telephone and cable television lines.

There shall exist easements of support with respect to any Unit wall which supports a Common Element.

Section 2. Association's Right to Grant Easements. The Board of Directors of the Association may grant easements over or through any portion of any General Common Element of the Condominium for utility, roadway, construction or safety purposes. The Association further has the right to dedicate all streets and all utilities and utility easements located on the Condominium Premises to the public for such consideration as the Association shall determine in its sole discretion.

Section 3. Association's Easement For Maintenance, Repair and Replacement. The Association and all public or private utilities shall have such easements over, under, across and through the Condominium Premises, including all Units and Common Elements, as may be necessary to fulfill any responsibilities of maintenance, repair, decoration, replacement or upkeep which they or any of them are required or permitted to perform under the Condominium Documents or by law, or to respond to any emergency or common need of the Condominium. It is a matter of concern that a Co-owner may fail to properly maintain his Unit or any Limited Common Elements appurtenant thereto for which the Co-owner is responsible in a proper manner and in accordance with the standards set forth in this Amended and Restated Master Deed, the Amended and Restated Condominium Bylaws and any Rules and Regulations promulgated by the Association. Therefore, in the event a Co-owner fails, as required by this Amended and Restated Master Deed, the Restated Bylaws or any Rules and Regulations of the Association, to properly and adequately maintain, decorate, repair, replace or otherwise keep his Unit or any improvements or appurtenances located therein, or any Limited Common Elements appurtenant thereto for which the Co-owner is responsible, the Association shall have the right, and all necessary easements in furtherance thereof, (but not the obligation) to take whatever action or actions it deems desirable to so maintain, decorate, repair or replace the Unit, its appurtenances or any of its Limited Common Elements for which the Co-owner is responsible, all at the expense of the Co-owner of the Unit. The Association shall not be liable to the Co-owner of any Unit or any other person, in trespass or in any other form of action, for the exercise of rights pursuant to the provisions of this Section or any other provision of the Condominium Documents which grant such easements, rights of entry or other means of access. Failure of the Association to take any such action shall not be deemed a waiver of the Association's right to take any such action at a future time. All costs incurred by the Association in performing any responsibilities which are required, in the first instance to be borne by any Co-owner, shall be assessed against such Co-owner and shall be due and payable with his monthly assessment next falling due, in accordance with Article II of the Amended and Restated Condominium Bylaws; further, the lien for non-payment shall attach as in all cases of regular assessments, and such assessments may be enforced by the use of all means available to the Association under the Condominium Documents and by law for the collection of regular assessments including, without limitation, legal action, foreclosure of the lien securing payment and imposition of fines.

Section 4. <u>Telecommunications Agreements</u>. The Association, acting through its duly constituted Board of Directors shall have the power to make or cause to be made such installations and/or grant such easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring 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 service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project 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 will violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or other company or entity in connection with such service, including fees if any, for the privilege of installing same or sharing periodic subscriber service fees, shall be receipts of administration of the Condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

## **ARTICLE VIII**

# NORTHVILLE RIDGE MASTER COMMUNITY AND MULTI-FAMILY COMMUNITY

Section 1. Northville Ridge Master Community. The Terraces at Northville Ridge Condominium is part of the Northville Ridge Master Community. When complete, the entire community may consist of a number of separate condominiums, projects, or other forms of approved development, all in addition to The Terraces at Northville Ridge Condominium. In order to provide a framework for the coordinated development of the entire Northville Ridge Master Community, and for the joint use, maintenance and support of designated portions thereof, the Declaration of Covenants, Conditions, Easements and Restrictions for the Northville Ridge Master Community (the "Declaration") has been established as referred to in Article II hereof. Such Declaration is incorporated herein by reference and shall be binding upon all Co-owners and the Association to the extent applicable to the Condominium Project. The Declaration confers certain benefits and imposes certain obligations upon the Co-owners and the Project, including, without limitation, the non-exclusive right to use and the obligation to share in the cost of maintenance and support of the Community Areas designated as such from time to time in accordance with the Declaration. All assessments levied against the Co-owners and their Units pursuant to such Declaration shall be equal.

Section 2. Multi-Family Community. The Terraces at Northville Ridge Condominium also is part of the Multi-Family Community The Northville Ridge Multi-Family Community presently consists of The Terraces at Northville Ridge Condominium and The Coves at Northville Ridge Condominium (a condominium project located across Carriage Way). In order to provide a framework for the joint use of certain recreational amenities within The Terraces at Northville Ridge Condominium, maintenance and support of designated portions thereof, the Declaration of Covenants, Conditions, Easements and Restrictions for the Multi-Family Community (the "Declaration") has been established as referred to in Article II hereof. Such Declaration is incorporated herein by reference and shall be binding upon all Co-owners and the Association to the extent applicable to the Condominium Project. The Declaration confers certain benefits and imposes certain obligations upon the Co-owners and the Project, including, without limitation, the non-exclusive right to use and the obligation to share In the cost of maintenance and support of the Community Areas designated as such from time to time in accordance with the Declaration. All assessments levied against the Co-owners and their Units pursuant to such Declaration shall be equal.

Section 3. <u>Community Area Easements</u>. The Developer or the Association shall have the right to grant easements over or with respect to the General Common Elements of the Condominium as may be necessary or desirable in furtherance of development, community usage, coordinated maintenance and operation of the Northville Ridge Master Community and/or the Multi-Family Community and to confer responsibilities and jurisdiction for administration and maintenance of such easements upon the administrator of the Northville Ridge Master Community and/or the Multi-Family Community.

#### ARTICLE IX

#### **AMENDMENTS**

This Amended and Restated Master Deed and any Exhibit hereto may be amended as provided in the Act in the following manner.

Section 1. Co-owner Approval. Amendments may be made and recorded by the Association upon being approved by the Co-owners of a simple two-thirds (2/3) of the Units in the Condominium entitled to vote as of the record date for such vote, except as hereinafter provided. Written notice of any such amendments, as well as any proposed amendments to the Articles of Incorporation, shall be provided to all Co-owners at least thirty (30) days prior to the beginning of voting on such amendments. The notice shall contain an itemized list of all such proposed amendments.

Section 2. Mortgagee Consent. Whenever a proposed amendment would materially alter or change the rights of mortgages (as defined in Section 90a(9) of the Act), such amendment shall require the consent of not less than two-thirds (2/3) of all mortgagees of record. A mortgagee shall have one vote for each mortgage held. Mortgagee approval shall be solicited in accordance with Section 90a of the Act.

Section 3. Modification of Units, Common Elements and Percentage of Value. Notwithstanding any other provision of this Article IX, the method or formula used to determine the percentages of value of Units in the Condominium, as described in Article VI hereof, may not be modified without the consent of each affected Co-owner and mortgagee, except as permitted by the provisions of the Michigan Condominium Act, as amended. A Co-owner's Condominium Unit dimensions or appurtenant Limited Common Elements may not be modified without the Co-owner's consent. The Condominium may be terminated only in accordance with Section 50 of the Act. Common Elements can be assigned and re-assigned only in accordance with Section 39 of the Act.

(SIGNATURES AND ACKNOWLEDGEMENTS ON NEXT PAGE)

IN WITNESS WHEREOF, the Association has caused this Amended and Restated Master Deed to be executed the day and year first above written.

THE TERRACES AT NORTHVILLE RIDGE CONDOMINIUM ASSOCIATION, a Michigan Nonprofit Corp.

	BY:	
	ITS: President	
STATE OF MICHIGAN )		
) ss COUNTY OF WAYNE )	2	19
On this day of	ne by Association, a Michigan non	. President of The
Drafted by and when recorded return to: Mark F. Makower, Esq. Makower Abbate and Associates, PLLC 30140 Orchard Lake Rd.	Cour Acting in My commission expires:	, Notary Public nty, Michigan County, MI

# **MASTER DEED**

# TABLE OF CONTENTS

ARTICLE I TITL	E AND NATURE	,		
Section 1.	Condominium Name and Subdivision Plan No	2		
Section 2.	Condominium Units and Co-owner Rights of Access to Common	4		
	Elements	7		
Section 3.	Voting.	2		
ADTIOLE				
ARTICLE II LEG	SAL DESCRIPTION	2		
ARTICLE III DE	FINITIONS			
Section 1.		3		
A.	General Description of Terms Used	3		
В.	The "Act" or "Condominium Act"	3		
- C.	"Association" or "Association of Co-owners"	3		
D.	"Association Bylaws" or "Corporate Bylaws"	4		
Б. Е.	"Unit" or "Condominium Unit"	4		
E	"Amended and Restated Condominium Bylaws"	4		
G.	"Condominium Documents"	4		
Э. Н.	"Condominium Premises"	4		
n, I.	"Condominium Project", "Condominium" or "Project"	4		
1. J.	"Condominium Subdivision Plan"	4		
= -	"Co-owner"	4		
K. L.	"Developer"	4		
<del>-</del> -	"Common Elements"	4		
M.	"Amended and Restated Master Deed"	4		
N.	"Percentage of Value"	5		
0.	"Person"	5		
P.	"Record"	5		
APTICI E IV.COM				
Section 1.	MMON ELEMENTS	5		
A.	Common Elements.	5		
	General Common Elements.	5		
В. С.	Limited Common Elements	6		
= :	Responsibility.	.7		
Section 2.	General Common Element Common Area Maintenance	11		
Section 3.	Township Maintenance Agreements	11		
ARTICLE VIISE	OF DDEMICE			
THOUSE TOOL	OF PREMISES	12		
ARTICLE VI.CON	DOMINIUM UNIT DESCRIPTION AND PERCENTAGE OF VALUE	40		
Section 1.	Condominium Unit Description	12		
Section 2.	Condominium Unit Description.	12		
	Calculation of Percentage of Value	12		
RTICLE VII EASEMENTS				

Section 1.	Easements For Encroachment, Utilities, and Support	12
Section 2.	Association's Right to Grant Easements	13
Section 3.	Association's Easement For Maintenance, Repair and Replacement	
Section 4.	Telecommunications Agreements.	13
ARTICLE VIII		14
NORTHVILLE R	IDGE MASTER COMMUNITY AND MULTI-FAMILY COMMUNITY	14
Section 1.	Northville Ridge Master Community	14
Section 2.	Multi-Family Community	
Section 3.	Community Area Easements	15
ARTICLE IX AM	ENDMENTS	15
Section 1.	Co-owner Approval	15
Section 2.	Mortgagee Consent.	
Section 3.	Modification of Units, Common Elements and Percentage of Value	

# EXHIBIT A AMENDED AND RESTATED CONDOMINIUM BYLAWS FOR THE TERRACES AT NORTHVILLE RIDGE CONDOMINIUM

#### ARTICLE I

# **ASSOCIATION OF CO-OWNERS**

Section 1. The Association. The Terraces At Northville Ridge Condominium, a residential Condominium project located in the Township of Northville, Wayne County, 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 Project, subject to and in accordance with the Amended and Restated 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. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

Section 2. Purpose of the Bylaws. These Bylaws are designated as both the Condominium Bylaws, relating to the manner in which the Condominium and the common affairs of the Co-owners of the Condominium Units shall be administered, as required by Act No. 59 of the Public Acts of Michigan of 1978, as amended, and the Association or Corporate Bylaws, governing the operation of the Association as a corporate entity, as required by Act No. 162 of the Public Acts of Michigan of 1982, as amended.

#### **ARTICLE II**

#### **ASSESSMENTS**

Section 1. Taxes and Assessments; Expenses of Administration. 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. Governmental special assessments and property taxes shall be assessed against the individual Condominium Units identified as Units on the Condominium Subdivision Plan and not on the total property of the project or any other part thereof. Governmental special assessments and property taxes in any year in which the property existed as an established condominium project on the tax day shall be assessed against the individual Condominium Unit, notwithstanding any subsequent vacation of the condominium project. The levying of all property taxes and governmental special assessments shall comply with Section 131 of the Act.

Section 2. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by or in connection with the Common Elements or the administration of the Condominium shall be expenses of administration; and all sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association securing the interests of the Co-owners against liabilities or losses

arising within, caused by or connected with the Common Elements or the administration of the Condominium shall be receipts of administration, within the meaning of Section 54(4) of the Act, except as modified by the specific assignment of responsibilities for costs contained in Article IV, Section 1C of the Amended and Restated Master Deed.

- **Section 3.** <u>Determination of Assessments</u>. Assessments shall be determined in accordance with the following provisions:
- Annual 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 that may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Any budget adopted shall include an allocation to a reserve fund for maintenance. repairs and replacement of those Common Elements that must be replaced on a periodic basis, in accordance with subsection D. hereof. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for the year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Co-owner's obligation to pay the allocable share of the common expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget each Unit Co-owner shall continue to pay each 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 Co-owners shall have a ten (10) day grace period commencing with notice from the Board of Directors in which to submit his new or adjusted monthly assessment payment.
- B. Additional Assessments. The Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary in the Board's sole discretion, provided that the same shall be required for only the following: (i) to meet deficits incurred or anticipated because current assessments are insufficient to pay the costs of operation and maintenance; (ii) to provide repairs or replacements of existing Common Elements; (iii) to provide for additions to the Common Elements at an annual cost not exceeding 10% of the annual operating budget, or (iv) for any emergencies. The Board of Directors shall also have the authority, without the necessity of Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 4 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and its members, and shall not be enforceable by any creditors of the Association or its members.
- C. <u>Special Assessments</u>. Special assessments, in addition to those described in subparagraph A. above, may be made by the Board of Directors from time to time if approved by the Co-owners as provided herein, to meet other requirements of the Association, including, but not limited to: (i) assessments for additions to Common Elements whose total annual cost exceeds 10% of the annual operating budget annually; (ii) assessments to purchase a Unit upon foreclosure of the lien for assessments described hereafter; or (iii)

assessments for any other appropriate purpose not elsewhere described. Special Assessments as provided for by this subparagraph shall not be levied without the prior approval of more than sixty percent (60%) of all Co-owners eligible to vote. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and its members and shall not be enforceable by any creditors of the Association or its members.

D. Reserve Fund. The Board of Directors shall maintain a reserve fund solely for major repairs and replacements of common elements and emergency expenditures, which reserve fund shall be in the amount of not less than ten (10%) percent of the Association's annual budget. At least two (2) Directors must sign any checks drawn on the reserve fund account. The Association may increase or decrease the reserve fund but may not reduce it below ten (10%) percent of the annual budget of the Association. The reserve must be funded at least annually from the proceeds of the regular monthly payments set forth in Subparagraph A of this Section, and may be supplemented by additional or special assessments if determined necessary by the Board of Directors. The minimum standard required by this subsection may prove to be inadequate. The Board of Directors shall annually consider the needs of the Condominium to determine if a greater amount should be set aside in reserve or if additional reserve funds should be established for any other purposes. The Board may adopt such rules and regulations as it deems desirable from time to time with respect to type and manner of investment, funding of the reserves, disposition of reserves or any other matter concerning the reserve account(s).

Section 4. Payment of Assessments and Penalty for Default. 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 the Amended and Restated Master Deed. Annual assessment shall be payable by Co-owners in such installments as may be provided by the Board in its sole discretion, commencing with acceptance of a deed to or a land contract vendee'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 established by the board or its designated management agent. Assessments in default shall bear interest at the highest rate allowed by law until paid in full. In addition, all assessments, or installments thereof, which remain unpaid as of ten (10) days after the due date, shall incur a uniform late charge of ten percent (10%) of the unpaid assessment, but in no event less than \$25.00, to compensate the Association for administrative costs incurred as a result of the delinquency. The Board of Directors may revise said uniform late charges, and may levy additional late fees for special and additional assessments, pursuant to Section 11 of Article VI of these Bylaws, without the necessity of amending these Bylaws. In the event of any delinquency lasting more than two months, any of the remaining unpaid installments of the annual assessment for that fiscal year shall be automatically accelerated and shall be immediately due and payable. Each Coowner (whether one or more persons) shall be personally liable for the payment of all assessments (including late fees and costs of collection and enforcement of payment, including actual attorney's fees) levied against his Unit while such Co-owner has an ownership interest therein. Such liability shall not terminate if the Co-owner transfers or conveys ownership. Even though liability for the assessments may cease in such cases, the Co-owner will continue to be responsible for interest, late fees and costs of collection and enforcement of payment, including actual attorney's fees until such charges are paid in full.

Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including attorney's fees; second, to any interest charges, fines and late fees on such installments; and third, to installments in default in order of their due dates. A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve account or other asset of the Association.

Section 5. Waiver of Use or Abandonment of Unit. 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.

# Section 6. Enforcement.

- A. <u>Statutory Lien.</u> Sums assessed to a Co-owner which are unpaid, together with interest of such sums, collection and late charges, advances made by the Association for taxes or other liens to protect its lien, attorneys fees and fines (as allowed by the Condominium Documents or the Act), constitute a lien upon the Unit or Units in the development owned by the Co-owner at the time of the assessment before other liens except tax liens on the Condominium Unit in favor of any state or federal taxing authority and sums unpaid on the first mortgage of record, except that past due assessments which are evidenced by a notice of lien, recorded as provided hereafter in this Section 6, have priority over a mortgage recorded subsequent to the recording of the notice and affidavit of lien. The lien upon each Condominium Unit owned by the Co-owner shall be in the amount assessed against the Condominium Unit, plus a proportionate share of the total of all other unpaid assessments attributable to Condominium Units no longer owned by the Co-owner but which became due while the Co-owner had title to the Condominium Units. The lien may be foreclosed by judicial action or by advertisement in the name of the condominium project on behalf of the other Co-owners as hereinafter provided.
- B. Remedies. The Association may enforce collection of delinquent assessments by a suit of law for money judgment or by foreclosure of the statutory lien that secures payment of assessments. A Co-owner may not assert in an answer, or set-off to a complaint brought by the Association for non-payment of assessments, the fact that the Association or its agents have not provided services or management to a Co-owner. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Project, shall not be qualified to run for or function as an officer or Director of the Association, and shall not be entitled to vote at any meeting 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, and if the Unit is not occupied by the Co-owner, to lease the Condominium Unit and collect and apply the rental therefrom. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Article XVI of these Bylaws. All remedies shall be cumulative and not alternative.
- C. <u>Foreclosure of Lien</u>. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose of the lien securing payment of assessments, costs and expenses, either by judicial action or by advertisement. The provisions of Michigan law

pertaining to foreclosure of mortgages by judicial action and by advertisement, and the provisions of Section 108 of the Act, 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 obligation of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit (and improvements) with respect to which assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this Section 6 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.

- D. Notice of Action. 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, additional or special assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of records. Such affidavit shall be recorded in the Office of the Register of Deeds in the County in which the Project is located prior to the 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 representative designated above and shall inform such representative that he may request a judicial hearing by bringing suit against the Association.
- E. <u>Expenses of Collection</u>. All expenses incurred in collecting unpaid assessments, including interests, fines, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens or costs 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.
- Section 7. <u>Liability of Mortgagee</u>. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project, or its successors and assigns, which comes into possession of the Unit pursuant to the foreclosure remedies provided in the mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which become due prior to the acquisition of title to the Unit by such person or entity (the date of the foreclosure sale or other conveyance), 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 claims evidenced by a Notice of Lien recorded prior to the recordation of the first mortgage.

Section 8. Assessment Status Upon Sale of Unit. Upon the sale or conveyance of a Condominium Unit, any unpaid assessments, interest, late fees, fines, costs and attorney's fees against the Condominium Unit shall be paid out of the net proceeds of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision thereof for taxes or special assessments due and unpaid and (b) payments due under first mortgages having priority to the Association's lien for unpaid assessments. A purchaser of a Condominium Unit is entitled to a written statement from the Association setting forth the amount of unpaid assessments. interest, late fees, fines, costs and attorney's fees outstanding against the Unit and the purchaser is not liable for any unpaid assessments, interest, late fees, fines, costs and attorney's fees in excess of the amount set forth in such written statement, nor shall the Unit be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five (5) days before the conveyance shall be liable for any unpaid assessments against the Unit together with interest, late fees, fines, costs and attorneys' fees incurred in connection with the collection of such assessments.

**Section 9.** Construction Liens. Construction liens attaching to any portion of the condominium premises shall be subject to the following limitations and Section 132 of the Act:

- A. Except as provided herein, a construction lien for work performed upon a Condominium Unit or upon a Limited Common Element may attach only to the Condominium Unit upon which the work was performed.
- B. A construction lien for work authorized by the Association may attach to each Condominium Unit only to the proportionate extent that the Co-owner of the Condominium Unit is required to contribute to the expenses of administration as provided by the condominium documents.
- C. A construction lien may not arise or attach to a Condominium Unit for work performed on the Common Elements not contracted for by the Association.

#### ARTICLE III

#### ARBITRATION

Section 1. <u>Arbitration</u>. 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 or mediation and parties thereto shall accept the arbitrator's decision as final and binding. 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.

- Section 2. Right to Judicial Action. 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. Effect of Election to Arbitrate. Election by the parties to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

Section 4. Mediation. Regardless of the other remedies available under these Bylaws or the Act, the parties to any dispute shall have the ability to agree to mediate any disputes. In instances involving a dispute between two or more co-owners that has been presented to the Association, the Association may compel the disputing co-owners to first attempt to mediate the dispute before considering any other action, the expense of which shall be borne by the disputing parties equally. In all other instances, mediation shall be totally voluntary and upon agreement of the disputing parties.

## **ARTICLE IV**

## **INSURANCE**

Section 1. Extent of Coverage. The Association shall carry fire and extended coverage, vandalism and malicious mischief (the maximum deductible amount must be no greater than 5% of the face amount of the policy) and liability insurance (minimum coverage of not less than \$1,000,000.00 for a single occurrence), and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium that are the Association's responsibility under Article IV of the Amended and Restated Master Deed, Fidelity Bond coverage in an amount no less than a sum equal to three months aggregate assessments on all units plus reserve funds on hand, such Fidelity Bond insurance to cover all officers, directors and employees of the Association and for all other persons, including any management agent, handling or responsible for any monies received by or payable to the Association, Directors and Officers Liability coverage, and such other insurance as the Board of Directors deems advisable, and all such insurance shall be carried and administered in accordance with the following provisions:

A. Respective Responsibilities. All such insurance shall be purchased by the Association for the benefit of the Association, 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. Unit owners are advised that the Association's coverage is not intended to be complete as to all matters, and the Co-owners have an obligation to provide certain coverages as outlined in this Article. Co-owners are advised to consult with their insurance advisors to determine what additional insurance they must obtain upon their Units and appurtenant Limited Common Elements, at their own expense, in addition to the coverage carried by the Association. It shall be each Co-owner's responsibility to obtain and maintain in force at all times, insurance coverage for the interior of the Unit, including Common Elements therein, all fixtures, equipment, and trim within a Unit, personal property located within a Unit or elsewhere in the Condominium, as well as for all improvements and betterments to the Unit and Limited Common Elements, and for personal liability and property damage for occurrences within a Unit or upon Limited Common Elements) for

which the Co-owner is responsible pursuant to Article IV of the Amended and Restated Master Deed and subsection E, hereof, and also for alternative living expense in event of fire or other casualty, and the Association shall have absolutely no responsibility for obtaining such coverages. Each Co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner hereunder. In the event of the failure of a Co-owner to obtain such insurance or to provide evidence thereof to the Association, the Association may, but is not required to, obtain such insurance on behalf of such Co-owner and the premiums therefore shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article II hereof. The Association and all Co-owners 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. The liability insurance carried by the Association and the Co-owners shall, where appropriate, contain cross-liability endorsements to cover liability of the Co-owners as a group to another Co-owner. Any insurance policy carried by the Association shall not be cancelled or substantially modified without at least ten (10) days prior written notice to the Association and each holder of a first mortgage.

- B. Insuring of Common Elements. All Common Elements of the Condominium shall be insured by the Association or Co-owners, as the case may be, (according to the responsibilities for each element assigned in Article IV of the Amended and Restated Master Deed), against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with its appropriate professional advisors. The policy shall include a "Guaranteed Replacement Cost Endorsement" or a "Replacement Cost Endorsement" and, if the policy includes a coinsurance clause, an "Agreed Amount Endorsement". The policy shall also include an "Inflation Guard Endorsement", if available, and a "Building Ordinance and Law Endorsement". The Association's coverage may also include, as secondary coverage in accordance with the provisions of Subparagraph E, interior walls within any Unit.
- C. <u>Cost of Insurance</u>. All premiums for insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.
- D. Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, the Co-owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction, and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first mortgages on Units in the Condominium have given their prior written approval.
- E. <u>Determination of Primary Carrier</u>. It is understood that there may be overlapping coverage between the Co-owners' policies and those of the Association, as required to be carried pursuant to this Article. In situations where both coverages/policies are

applicable to a given loss, the provisions of this subsection shall control in determining the primary carrier. In cases of property damage to the Unit and its contents, Limited Common Element or other element or property for which the Co-owner is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed (including improvements and betterments), or incidental or consequential damages to any other Unit resulting from an item, element or occurrence for which the Co-owner is assigned responsibility in Article IV of the Master Deed, the Co-owner's policy/carrier shall be deemed to be the primary carrier. In cases of property damage to the General Common Elements or a Limited Common Element for which the Association is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed, the Association's policy/carrier shall be deemed to be the primary carrier. In cases of liability for personal injury or otherwise, for occurrences in/on the Unit or in/upon a Limited Common Element for which the Co-owner is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed (including improvements and betterments), the Co-owner's policy/carrier shall be deemed to be the primary carrier. In cases of liability for personal injury or otherwise, for occurrences in/on the General Common Elements or in/upon a Limited Common Element for which the Association is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed (including improvements and betterments), the Association's policy/carrier shall be deemed to be the primary carrier. In all cases where the Association's policy/carrier is not deemed the primary policy/carrier, if the Association's policy/carrier contributes to payment of the loss, the Association's liability to the Co-owner shall be limited to the amount of the insurance proceeds, and shall not in any event require or result in the Association paying or being responsible for any deductible amount under its policies. In cases where the Co-owner's policy is deemed primary for the purpose of covering losses where the damage is incidental or caused by a general common element or the repair or replacement thereof, the insurance carrier of the Co-owner shall have no right of subrogation against the Association or its carrier.

Section 2. Association as Attorney-in-Fact. Each Co-owner, by ownership of a Unit in the Condominium Project, 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 workmen's compensation insurance, if applicable, pertinent to the Condominium Project, his Unit and the Common Elements thereof. 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 the 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-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3. Indemnification. Each individual Co-owner shall indemnify and hold harmless every other Co-owner and the Association from all damages and costs, including attorneys' fees, which such other Co-owners or the Association may suffer as a result of defending any claim arising out of an occurrence on or within such individual Co-owner's Unit or appurtenant Limited Common Elements and shall carry insurance to secure this indemnity if so required by the Association. This Section 3 shall not, however, be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner.

#### **ARTICLE V**

# RECONSTRUCTION OR REPAIR IN CASE OF CASUALTY

- Section 1. Determination of Responsibility. This Article shall apply only to damage by casualty or other insurable event. Any other situations involving maintenance, repair and replacement shall be governed by the allocation of responsibilities contained in Article IV, of the Amended and Restated Master Deed. If any part of the Condominium shall be damaged by insured casualty, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:
- A. Repair or Reconstruction. If 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 the affirmative vote of eighty (80%) percent of the Co-owners in the Condominium that the Condominium shall be terminated, and each institutional holder of a first mortgage lien on any Unit in the Condominium has given prior written approval of such termination.
- B. <u>Decision Not to Repair or Reconstruct</u>. If the Condominium is so damaged that no Unit is tenantable, and if each institutional holder of a first mortgage lien on any Unit in the Condominium has given its prior written approval of the termination of the Condominium, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless eighty (80%) percent or more of all Co-owners in number and value agree to reconstruction by vote or in writing within ninety (90) days after the destruction.
- Section 2. Repair and Reconstruction To Condition Existing Prior to Damage. Any such reconstruction or repair shall be substantially in accordance with the Amended and Restated Master Deed and the plans and specifications for the Condominium to a condition as comparable as possible to the condition existing prior to damage unless the Co-owners shall unanimously decide otherwise.

# Section 3. Co-owner Responsibility for Reconstruction or Repair.

- A. <u>Definition of Responsibility</u>. If the damage is only to a part of a Unit or Common Elements which are the responsibility of a Co-owner to maintain and repair and/or insure, it shall be the responsibility of the Co-owner to promptly repair such damage in accordance with Subsection B. hereof. In all other cases, the responsibility for reconstruction and repair, although not necessarily the costs thereof, shall be that of the Association.
- B. Co-owner Items. Regardless of the cause or nature of any damage or deterioration, including but not limited to incidents where the damage is incidental or caused by a general common element or the repair or replacement thereof, each Co-owner shall be responsible for the reconstruction and repair of the interior of the Co-owner's Unit and all fixtures, trim and personal property, including, but not limited to, floor coverings, window shades, draperies, interior walls including drywall, wall coverings, interior trim, furniture, light fixtures, and all appliances, whether freestanding or built-in. Each Co-owner shall be further responsible for the repair, reconstruction and maintenance of all items for which the Co-owner is assigned such responsibility in Article IV of the Amended and Restated Master Deed. In the event any damage to Common Elements is the responsibility of the

Association's insurance carrier pursuant to the provisions of Article IV, Section 1E hereof, then the reconstruction or repair of the same shall be the responsibility of the Association in accordance with Section 4 of this Article, although the responsibility for costs thereof shall be allocated in accordance with the provisions of this Section and Section 4. If any interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, and the carrier of such insurance is responsible for paying a claim pursuant to the provisions of Article IV, Section 1E hereof, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto, only in the absence of Co-owner coverage, (but the Co-owner shall be responsible for any deductible amount), and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly, to be used solely for the necessary repairs. 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 Unit in the Condominium.

Section 4. Association Responsibility for Reconstruction or Repair of Common Elements. Subject to the responsibility of the individual Co-owners as outlined in Section 3 above, and other provisions of these Bylaws or the Amended and Restated Master Deed applicable to such situations, the Association shall be responsible for the reconstruction and repair of the General Common Elements and those Limited Common Elements for which it is assigned such responsibility in Article IV of the Amended and Restated Master Deed. Under no circumstances shall the Association be responsible for incidental or consequential damage to a Unit, Limited Common Elements, personal property, fixtures, equipment or other property that is the responsibility of a Co-owner pursuant to Section 3 immediately above. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair 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 the Co-owners who are responsible for the costs of reconstruction or repair of the damaged property (as provided in Article IV of the Amended and Restated Master Deed) in sufficient amounts to provide funds to pay the estimated or actual costs of repair.

**Section 5.** <u>Timing.</u> If damage to the General Common Elements adversely affects the appearance of the Project, the Association shall proceed with replacement of the damaged property without delay.

Section 6. <u>Eminent Domain</u>. Section 133 of the Act (to the extent not inconsistent with the following) and the following provisions shall control upon any taking by eminent domain:

A. <u>Common Elements Taken by Eminent Domain</u>. If any portion of the Common Elements is taken by eminent domain, the award therefor shall be allowed to the Co-owners in proportion to their respective undivided interests in the Common Elements. The Association, acting through its Board of Directors, may negotiate on behalf of all Co-owners for any taking of the Common Elements and any negotiated settlement approved by more than two thirds (2/3) of the Co-owners in number and value shall be binding on all Co-owners.

- B. <u>Condominium Unit Taken by Eminent Domain</u>. If a Unit is taken by eminent domain, the undivided interest in the Common Elements appertaining to the Condominium Unit shall thenceforth appertain to the remaining Condominium Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The Court shall enter a decree reflecting the reallocation of the undivided interest in the Common Elements as well as for the Condominium Unit.
- C. Partial Taking of a Condominium Unit. If portions of a Condominium Unit are taken by eminent domain, the court shall determine the fair market value of the portions of the Condominium Unit not taken. The undivided interest of such Condominium Unit in the Common Elements shall be reduced in proportion to the diminution in the fair market value of such Condominium Unit resulting from the taking. The portions of undivided interest in the Common Elements thereby divested from the Co-owners of such Condominium Unit shall be reallocated among the other Condominium Units in the condominium project in proportion to their respective undivided interests in the Common Elements. A Condominium Unit partially taken shall receive the reallocation in proportion to its undivided interest as reduced by the court under this subsection. The court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the Co-owner of the Condominium Unit partially taken for that portion of the undivided interest in the Common Elements divested from the Co-owner and not re-vested in the Co-owner pursuant to the following subsection, as well as for that portion of the Condominium Unit taken by eminent domain.
- D. Impossibility of Use of Portion of Unit not Taken by Eminent Domain. If the taking of a portion of a Condominium Unit makes it impractical to use the remaining portion of that Condominium Unit for a lawful purpose permitted by the condominium documents, then the entire undivided interest in the Common Elements appertaining to that Condominium Unit shall thenceforth appertain to the remaining Condominium Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The remaining portion of that Condominium Unit shall thenceforth be a Common Element. The court shall enter an order reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the Co-owner of the Condominium Unit for the Co-owner's entire undivided interest in the Common Elements and for the entire Condominium Unit.
- E. <u>Future Expenses of Administration Appertaining to Condominium Unit(s) Taken by Eminent Domain</u>. Votes in the Association of Co-owners and liability for future expenses of administration appertaining to a Condominium Unit taken or partially taken by eminent domain shall thenceforth appertain to the remaining Condominium Units, being allocated to them in proportion to their relative voting strength in the Association. A Condominium Unit partially taken shall receive a reallocation as though the voting strength in the Association was reduced in proportion to the reduction in the undivided interests in the Common Elements.
- F. <u>Condominium Continuation after the taking by Eminent Domain</u>. In the event the Condominium continues after a taking by eminent domain, then the remaining portion of the Condominium shall be re-surveyed and the Master Deed amended accordingly. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner, but

only with the prior written approval of all holders of first mortgage liens on individual Units in the Condominium.

- G. Condemnation or Eminent Domain Proceeding. In the event any Unit in the Condominium, or any portion thereof, or the Common Elements, or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.
- Section 7. Rights of First Mortgagees. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit Owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.
- Section 8. <u>Notification to Mortgagees and Guarantors</u>. The Association shall give the holder of any first mortgage and any guarantors of the mortgage covering any Unit in the Project timely written notice of any condemnation or casualty loss that affects either a material portion of the Project or the Unit securing the mortgage.

#### ARTICLE VI

#### RESTRICTIONS

# Section 1. Use of Condominium Unit.

- A. <u>Single Family Use</u>. No Unit in the Condominium shall be used for other than single-family residential purposes (as defined by the Township of Northville Ordinances) as limited hereby, and the Common Elements shall be used only for purposes consistent with the use herein stated. No Co-owner shall carry on any business enterprise or commercial activities anywhere on the Common Elements or within the Units, specifically including for profit day care, adult foster care, nursing facilities, transitional housing and similar enterprises, except that Co-owners shall be allowed to have home offices in their Units, provided the same (1) do not involve additional pedestrian or vehicular traffic by customers, users or beneficiaries of the services being performed and/or congestion within the Condominium, (2) do not utilize or involve the presence of any employees within the Unit other than the individual Co-owner(s) and their families, (3) do not disturb other Co-owners, (4) do not involve additional expense to the Association (such as utility charges and insurance), and (5) do not violate any other provision or restriction contained in the Condominium Documents, (6) do not involve the storage of bulk goods for resale, and (7) do not constitute a violation of any ordinances or regulations of the Township of Northville.
- B. Occupancy Restrictions. All Units shall be occupied in strict conformance with the restrictions, regulations, codes, and ordinances which are now in force, or which may be adopted by the Township of Northville. Accordingly, the number of persons allowed to reside in any Unit shall be restricted by the size of the bedrooms and other areas of said Unit. Such restrictions shall automatically change, without the necessity of an amendment to this document, upon the adoption of alternative regulations by the Township of Northville, such

that the occupancy of all Units in the Condominium shall be in accordance with all Township regulations at all times.

# Section 2. Leasing and Rental of Units.

- Right to Lease. A Co-owner may lease any Unit within the Condominium for the same purposes as set forth in Section 1, above, in accordance with the provisions of this Section. No Co-owner shall lease less than an entire Unit in the Condominium. All leases shall (i) be for an initial term of no less than one (1) year; (ii) require the lessee to comply with the Condominium Documents and Rules and Regulations of the Association; (iii) provide that failure to comply with the Condominium Documents and Rules and Regulations constitutes a default under the lease, and (iv) 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 by certified mail to the Condominium Unit Co-owner, in the event of a default by the tenant in the performance of the lease. The Board of Directors may suggest or require a standard form lease for use by all Unit Co-owners. Each Co-owner of a Condominium Unit shall, promptly following the execution of any approved lease of a Condominium Unit, forward a conformed copy thereof to the Board of Directors. Under no circumstances shall transient tenants be accommodated. For purposes of the Section 2(a), a "transient tenant" is a non-Co-owner residing in a Condominium Unit for less than sixty (60) days, who has paid consideration therefor. For the purposes of this Section 2, "lease" shall refer to any occupancy agreement, whether or not in writing or for rent or other consideration, where the Unit is not occupied by the Co-owner thereof or their immediate family as a primary or secondary residence for a majority of the year. 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 and all leases, rental agreements and occupancy agreements shall so state.
- B. <u>Procedures for Leasing</u>. The future leasing of Units in the Project shall conform to the following provisions:
- A Co-owner desiring to rent or lease a Condominium Unit, shall disclose that fact in writing to the Association at least ten (10) days before presenting a Lease Form to a potential lessee, and shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. The Association shall be entitled to approve or not approve any such proposed lease transaction in accordance with the provisions of this Section. 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 or other occupant(s), along with the amount and due dates of any rental or compensation payable to the Co-owner, and the term of the proposed arrangement. Any lease not approved or rejected by the Association within thirty 30 days after submission of all required information shall be deemed approved unless it would violate the limitations or requirements set forth in subsection A. 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). 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 Any 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 hereof. This provision shall also apply to occupancy agreements.

- (2) Tenants or Non-Co-owner occupants shall comply with all of the conditions of the Condominium Documents of the Condominium Project and all leases and rental agreements shall so state.
- (3) If the Association determines that the tenant or Non-Co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:
  - (a) The Association shall notify the Co-owner by certified mail advising of the alleged violation by tenant.
  - (b) The Co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred
  - (c) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association an action for eviction against the tenant or Non-Co-owner and tenant or Non-Co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this Section may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages caused by the Co-owner or tenant in connection with the Condominium Unit. The Co-owner shall be responsible for reimbursing the Association for all costs incurred in obtaining judicial enforcement of its rights, including actual attorney's fees.
- (4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Condominium Unit under a lease or rental agreement and the tenant, after receiving the notice shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the tenant. If the tenant, after being notified, fails or refuses to remit rent, otherwise due the Co-owner, to the Association, then the Association may (1) issue a statutory Notice to Quit for non-payment of rent, and enforce that notice by summary proceedings, or (2) initiate proceedings pursuant to Section 112(4)(b) of the Act.

# Section 3. Alterations and Modifications.

A. <u>Alterations</u>. No Co-owner shall make alterations in exterior appearance or make structural modifications to any Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in the appearance or use of any of the Common Elements, limited or general, without the express written approval of the Board of Directors, including but not limited to, exterior painting, replacement of windows, or the erection of lights, awnings, shutters, doors, newspaper holders, mailboxes, spas, hot tubs, decks, structures, fences, walls, landscaping, playground equipment, yard fixtures or adornments or other exterior attachments or modifications. A Co-owner shall not damage, attach anything to, or alter walls between Units so as not to compromise sound conditioning.

The erection of antennas, DBS reception devices, and other technologies regulated by the Federal Communications Commission are governed by the subsections immediately following this Section. No buildings, fences, walls, retaining walls, decks, patios, banners, drives, walks, or other structures or improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alteration to any structure be made (including in color or design), except interior alterations not affecting any Common Elements, nor shall any hedges trees or substantial plantings, or landscaping modifications be made, until plans and specifications acceptable to the Association showing the nature, kind, shape, height, materials, color scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected (if appropriate) shall have been submitted to and approved in writing by the Association, and a copy of said plans and specifications, as finally approved, delivered to the Association. The Association shall have the right to refuse to approve any such plans or specifications, or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or any other reasons; and in passing upon such plans, specifications, grading or landscaping, it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to effect the same, and the degree of harmony thereof with the Condominium as a whole. In the event that any application for changes are approved by the Board of Directors, such approval shall be subject to a recordable, written undertaking by the Co-owner acknowledging that installation, maintenance and insuring of all of the improvements are to be at the Co-owner's sole expense, and that injury, if any, to the Common Elements will be repaired promptly by the Co-owner at his sole expense, that the improvements will be completed by a date to be determined and established by the Board of Directors In the event that the Co-owner fails to maintain and/or repair said modification or improvement to the satisfaction of the Association, the Association may undertake to maintain and/or repair same and assess the Co-owner the costs thereof and collect same from the Co-owner in the same manner as provided for the collection of assessments in Article II hereof. The Co-owner shall indemnify and hold the Association harmless from and against all costs, damages, and liabilities incurred with respect to said modification and/or improvement. No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sump pump, sprinkler system valves or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access.

(1) A Co-owner, or a tenant occupying a Unit 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 to the Unit, in which he/she has a direct or indirect ownership or leasehold interest, and which is within his/her 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 federal Telecommunications Act of 1996, as amended, or the FCC Rule. 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.

- (2) 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 may be promulgated by the Board of Directors in its sole discretion, or unless approved in writing by the Board of Directors 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. Antenna masts, if any are permitted, 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 preapproval, due to safety concerns. The Association may prohibit Co-owners from installing an antenna otherwise permitted by this subsection 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.
- (3) A Co-owner, if an antennae or dish installation may not proceed as a matter of right under the FCC Rules and orders, must complete and submit to the Association the form of antenna notice prescribed by the Board of Directors before an antenna may be installed. Such form of antenna notice may require such detailed information concerning the proposed installation as the Board reasonably requires to determine whether the proposed installation is permitted by this Section 3A and all valid rules and regulations promulgated by the Board regarding the installation and placement of antennas. The Co-owner shall not proceed with the installation sooner than ten (10) days after the Association receives an antenna notice, which time period is intended to afford the Association a reasonable opportunity to determine whether the Association's approval of the proposed installation may be granted. In lieu of such approval, the Association may during the ten (10) day time period, in writing:
  - (a) request from the Co-owner such additional relevant information as the Board reasonably determines in order to determine whether the Association will approve or deny the proposed installation, 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 Association; or,
  - (b) notify the Co-owner that Association approval of the proposed installation is withheld, specify in general terms the aspects of the proposed installation which the Association 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 the Co-owner believes will be either permissible or otherwise acceptable to both the Association 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).

- (4) Except as the Board of Directors (or a committee of the Board) has declared its approval of a proposed antenna installation in a signed writing, and the installation has been made substantially in the manner approved by the Board, the Association may exercise all, or any, of the remedies of Article XV, below, with respect to an antenna installation later determined not to be permitted by this Section 3A and all valid rules and regulations as have been promulgated by the Board of Directors regarding the installation and placement of antennas, 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.
- B. Modifications or Improvements to Accommodate the Disabled. Notwithstanding the previous subparagraph A, a Co-owner may make improvements or modifications to the Co-owner's Condominium Unit, including Common Elements and the route from the public way to the door of the Co-owner's Condominium Unit, at the Co-owner's expense, if the purpose of the improvement or modification is to facilitate access to or movement within the Unit for persons with disabilities who reside in or regularly visit the unit or to alleviate conditions that could be hazardous to persons with disabilities who reside in or regularly visit the unit, subject to the following:
- (1) The improvement or modification shall not impair the structural integrity of a structure or otherwise lessen the support of a portion of the Condominium Project, nor unreasonably prevent passage by other residents of the Condominium Project upon the Common Elements.
- (2) The Co-owner shall be liable for the cost of repairing any damage to a Common Element caused by building or maintaining the improvement or modification, and such improvement or modification shall comply with all applicable state and local building requirements and health and safety laws and ordinances and shall be made as closely as possible in conformity with the intent of applicable prohibitions and restrictions regarding safety and aesthetics of the proposed modification.
- (3) Before an improvement or modification allowed by this subsection is made the Co-owner shall submit plans and specifications for such alteration to the Association for approval. If the proposed alteration substantially conforms to the requirements of this subsection, the Association shall not deny the same without good cause. A denial shall be in writing, delivered to the Co-owner, listing the changes needed for the proposed alteration to conform. Any requests for approval by the Association under this subsection shall be acted upon not later than sixty (60) days after the required plans and specifications are submitted. Failure of the Association to approve or deny a request within

the sixty (60) day period shall entitle the Co-owner to undertake the alteration without the approval of the Association.

- (4) Any Co-owner making an alteration pursuant to this subsection shall maintain liability insurance and provide the Association with proof thereof prior to undertaking the alteration or modification, underwritten by an insurer authorized to do business in this state, in an amount adequate to compensate for personal injuries caused by the exterior improvement or modification, and naming the Association as an additional insured, but the Co-owner shall not be liable for acts or omissions of the Association with respect to the exterior alteration, and the Co-owner shall not be required to maintain liability insurance with respect to any Common Element.
- (5) Responsibility for the cost of any maintenance, repair or replacement of an exterior alteration allowed by this Section shall be in accordance with the provisions of Section 47(a) of the Michigan Condominium Act.
- (6) A Co-owner having made an improvement or modification allowed by this subsection shall notify the Association in writing of the Co-owner's intention to convey any interest in or lease (if permitted) his or her Condominium Unit to another, not less than thirty (30) days before the effective date of the conveyance or permitted lease. Not more than thirty (30) days after receiving such a notice, the Association may require that the Co-owner remove the improvement or modification and restore the premises at the Co-owner's expense. In the absence of the required notice of conveyance or permitted lease, the Association may at any time remove or require the Co-owner to remove the improvement or modification at the Co-owner's expense, however, the Association may not remove or require the removal of an improvement or modification if the Co-owner intends to resume residing in the Unit within 12 months or a Co-owner conveys or leases (if permitted) the Condominium Unit to a person with disabilities who needs the same type of improvement or modification, or who has a person residing with him or her who requires the same type of improvement or modification. As used in this Section, "person with disabilities" means that term as defined in Section 2 of the state construction code act of 1972 MCL 125.1502.
- Section 4. Conduct upon the Condominium Premises. No noxious, improper, unlawful or offensive activity shall be carried on or upon the Common Elements, Limited or General, or any Unit, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity be carried upon the Common Elements or any Unit. There shall not be maintained any animals or device or thing of any sort whose normal activities or existence is in any way noxious, noisy, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the reasonable enjoyment of other Units in the Condominium. The Board of Directors of the Association shall be the final arbiter of whether a particular animal, device, or thing is in violation of the foregoing restrictions, and disputes among Co-owners that cannot be amicably resolved shall be mediated by the disputing Co-owners in accordance with Article III, Section 4. No Co-owner shall do or permit anything to be done or keep or permit to be kept on his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without 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.

- Section 5. Animals upon the Condominium Premises. No animal, except for one domestic cat or dog (excluding species or breeds with a known propensity for aggressive or vicious behavior), shall be kept or allowed on the Condominium Premises by any Co-owner. The right to have household pets shall be revocable at any time by the Association for failure of such pets or their owners to abide by the provisions of this Section and the Rules and Regulations of the Association pertaining to the keeping of pets.
- Α. Restrictions Applicable to Pets in the Project. No animals may be kept or bred for any commercial purpose. Any pets permitted to be kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No animal may be permitted to be loose upon the Common Elements or confined on or within a porch, deck, patio or balcony and any animal shall at all times be leashed when within or on the Common Elements with the leash being held and controlled at all times by a responsible person in accordance with any ordinances of the Township of Northville that may apply. All pets shall be restricted to relieving themselves in any area designated therefor by the Board of Directors. Each Co-owner shall be responsible for the collection and disposition of all fecal matter deposited by any animal maintained by such Co-owner, anywhere in the Condominium Project. No savage or dangerous animal of any type shall be kept and any Coowner who causes any animal to be brought, maintained or kept on the premises of the Condominium for any length of time shall indemnify and hold harmless the Association for any loss, damage or liability, including attorney fees and costs, which the Association may sustain as a result of the presence of such animal on the premises, whether such animal is permitted or not, 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. No animal that creates noise 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 costs to the Association of accommodating animals within the Condominium. All animals kept in accordance with this Section shall be licensed by the municipal agency having jurisdiction, and proof of the animal's shots shall be provided to the Association. The term "animal" or "pet" as used in this section shall not include fish. Any exotic pets or animals are strictly prohibited.
- B. Association Remedies. The Association 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 that it determines to be in violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. The Association may also assess fines for such violation of the restrictions imposed by this Section or by any applicable rules and regulation of the Association.
- Section 6. Use of Common Elements. 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. All rubbish, trash, garbage and other waste shall be regularly removed from each Unit and shall not be allowed to accumulate therein. Trash receptacles shall be maintained in areas designated by the Association for keeping of the same, and shall not be permitted to remain elsewhere on the Common Elements, except for such short periods of time established by

the Board of Directors as necessary to permit periodic collection of trash. The Common Elements shall not be used in any way for the drying or airing of clothing or other fabrics. Barbecues shall be utilized in strict conformance with Township ordinances and the use thereof shall be specifically prohibited in carports and garages. In general, no activity shall be carried on nor condition maintained by a Co-owner either in his Unit or upon the Common Elements, which detracts from or spoils the appearance of the Condominium. No unsightly condition shall be maintained on/in any porch, patio, or deck, and only furniture and equipment consistent with the normal seasonal use of such areas shall be permitted in such areas during seasons when typically they are in use. All such furniture and equipment shall be neatly covered, stored and secured in accordance with Association regulations during seasons when such areas are not reasonably or traditionally in use.

Section 7. Obstruction of Common Elements. The Common Elements 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, chairs, benches, toys, baby carriages, obstructions or other personal property may be left unattended on or about the Common Elements, including carports, which shall be used solely for the parking of permitted vehicles.

Section 8. Vehicles upon the Condominium Premises. No recreational vehicles of any kind, such as pickup campers, house trailers, boat trailers, watercraft, boats, motor homes, camping vehicles/trailers, snowmobiles, snowmobile trailers, trailers of any other kind, aircraft, off-the-road vehicles, all terrain vehicles, commercial vehicles, or vehicles other than currently licensed automobiles, motorcycles (if not objectionable due to excessive noise or irresponsible operation) and non-commercial pick-up trucks, SUVs and passenger vans, used as an occupant's primary means of transportation, and not for any commercial purposes, may be parked or stored upon the premises of the Condominium (even temporarily for loading and unloading), except in accordance with the provisions of this Section. No Coowner shall use, or permit the use by an occupant, agent, employee, invitee, guest or member of his/her family of any casual, personal, motorized transportation or entertainment anywhere within the Project, including, but not limited to, motorized scooters, mo-peds, go-carts, dirt bikes and the like.

A. <u>Commercial Vehicles</u>. Commercial vehicles and trucks shall not be parked in or about the Condominium unless while performing construction, maintenance or repairs, or while making deliveries or pickups in the normal course of business. For purposes of this Section, commercial vehicles shall include vehicles or trucks with a curb weight of more than 10,000 pounds, overall length in excess of 19 feet, or with more than two axies, vehicles with commercial license plates, vehicles with any commercial markings or advertising appearing on the exterior, vehicles not intended for personal transportation, or any vehicle either modified or equipped with attachments, equipment or implements of a commercial trade, including, but not limited to, storage racks, ladder or material racks, snow blades, tanks, spreaders, storage bins or containers, vises, commercial towing equipment or similar items. For purposes of this Section, passenger vans, SUVs and pick-up trucks, used for primary transportation, and no commercial purpose whatsoever, shall not be considered commercial vehicles provided they do not meet the definition of a commercial vehicle contained herein. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of such vehicles or to designate an area thereof.

- B. <u>Standing Vehicles, Repairs</u>. Non-operational vehicles or vehicles with expired license plates shall not be parked or stored on the Condominium Premises. Vehicle repairs, except in cases of emergency, are prohibited on the Condominium Premises.
- C. <u>Parking Restrictions</u>. Parking is restricted to 2 spaces per Unit (one in the garage and one outside the garage. Parking shall be allowed only as stated in the Association's Rules and Regulations, as the same may be changed from time to time.
- D. Association Rights. Subject to the notice location and content requirements of Section 252(k) of the 2004 Public Act 493 of the Michigan Compiled Laws, the Association may cause vehicles parked or stored in violation of this Section, or of any applicable rules and regulations of the Association, to be stickered and/or removed (towed) from the Condominium Premises, and the cost of such removal may be assessed to, and collected from, the Co-owner of the Unit responsible for the presence of the vehicle in the manner provided in Article II hereof. In such cases, the Co-owner shall be responsible for costs incurred in having a towing company respond, even if the vehicle is moved and properly parked before the towing contractor arrives at the Condominium. The Board of Directors may promulgate reasonable rules and regulations governing the parking and use of vehicles in the Condominium Project consistent with the provisions hereof, and may levy fines for violations of such rules and regulations or this Section.
- Section 9. Prohibition of Dangerous Items upon the Condominium Premises. No Co-owner shall use, or permit the use by an occupant, agent, employee, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, slingshots, or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium Premises, nor shall any Co-owner use or permit to be brought into the Condominium any explosives or any unusually volatile liquids or materials deemed to be extra-hazardous to life, limb, or property, without in each case obtaining the written consent of the Association.
- **Section 10.** Signs upon the Condominium Premises. No signs or advertising devices, including "for sale" signs, shall be displayed so as to be visible from the Common Elements. Nothing herein shall be construed so as to prevent the display of an American flag by any Co-owner of a size not exceeding 3' x 5'.
- Section 11. Regulations Consistent with the Act. Reasonable regulations consistent with the Act, the Amended and Restated Master Deed, and these Bylaws, concerning the use of the Common Elements or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium may be made and amended from time to time by any Board of Directors of the Association. Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective as stated in said rule or regulation Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Co-owners in number and value.
- Section 12. Association Access to Units and/or Limited Commons Elements. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto 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 or other elements for which the Association has or has assumed responsibility. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-owner to provide the Association with a telephone number for emergency purposes and means of access to his Unit and any Limited Common Elements appurtenant thereto 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, at the Co-owner's expense, 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.

Section 13. Landscaping and Decoration of Common Elements. No Co-owner shall perform any landscaping, plant, trim or remove any trees or shrubs or place any ornamental materials, including but not limited to statuary, bird feeders, exterior lighting, furniture, implements, rocks or boulders, fencing or other decorative items upon the Common Elements, Limited or General, unless the same is approved by the Association in writing. and is in total conformance with the Association's policies on landscaping as are published from time to time, with the exception that a Co-owner may plant routine annual flowers in established beds appurtenant to a Unit. Original bed areas shall not be expanded. Any landscaping performed by the Co-owner and any such trees or shrubs planted by the Coowner, if and when approved, shall be the responsibility of the Co-owner to maintain. In the event that such Co-owner fails to adequately maintain such landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted by the Co-owner to the satisfaction of the Association, the Association shall have the right to perform such maintenance, or to remove the same and restore the area to its previously existing condition, and assess and collect from the Co-owner the cost thereof in the manner provided in Article II hereof. The Co-owner shall also be liable for any damages to the Common Elements or other Units arising from the performance of such landscaping or the planting of such trees or shrubs, or the continued maintenance thereof. Should access to any Common Elements of any sort be required, or should any materials specified in this Section interfere with maintenance or services provided by the Association, the Association may remove any obstructions of any nature that restrict such access and/or services 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 and/or performance of such services, nor shall the Association be responsible for monetary damages of any sort arising out of any such actions.

Section 14. Co-owner Maintenance of Unit and Limited Common Elements. Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition and all major appliances, including, without limitation, furnaces, ovens, refrigerators, dishwashers and air conditioning compressors, shall be operable, and operated, in their intended and recommended manner. Thermostats serving any Unit shall be maintained at not lower than sixty (60) degrees Fahrenheit and the Co-owner shall implement such other reasonable precautionary maintenance measures with respect to his Unit and the Limited Common Elements appurtenant or assigned to the Unit as the Board of Directors from time to time shall require. 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 Amended and Restated 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) and assess the costs thereof to the Co-owner as provided in Section 16 below. The 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 any of the Common Elements, including, but not limited to, the telephone, water, gas, plumbing, electrical, cable TV or other utility conduits and systems and any other Common Elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, or by casualties and occurrences, whether or not resulting from Co-owner negligence, involving items or common elements which are the responsibility of the Co-owner to maintain, repair and replace, unless such damages or costs are covered by insurance carried by the Association, in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount.) Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. Each individual Co-owner shall indemnify the Association and all other Coowners against such damages and costs, including attorneys' fees, and all such costs or damages to the Association may be assessed to and collected from the responsible Coowner in the manner provided in Article II 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. <u>Application of Restrictions to the Association</u>. None of the restrictions contained in this Article VI shall apply to the activities of the Association in furtherance of its powers and purposes set forth herein, the Amended and Restated Master Deed and in its Articles of Incorporation, as the same may be amended from time to time.

Section 16. Costs of Enforcing Documents. Any and all costs, damages, fines, expenses and/or actual attorneys fees incurred or levied by the Association in enforcing any of the restrictions set forth in this Article VI and/or rules and regulations promulgated by the Board of Directors of the Association under Article VI, 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, secured by the statutory lien on the Unit and collected from the responsible Co-owner or Co-owners in the manner provided in Article II hereof. This specifically includes actual costs and legal fees incurred by the Association in investigating and seeking legal advice concerning violations, and responding to and defending actions relating to violations in small claims court, or any other court of competent jurisdiction.

Section 17. Association Approvals Revocable. All approvals given by the Association in accordance with these Bylaws shall be revocable and in the nature of a license, and can be withdrawn upon thirty (30) days written notice in the event of

noncompliance with the conditions of such approval, failure to complete performance within sixty (60) days of getting approval, or if there are material changes in circumstances or conditions which lead the Association, in its sole discretion, to believe the approval previously granted is no longer appropriate.

#### **ARTICLE VII**

#### **MORTGAGES**

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

# ARTICLE VIII

#### MEMBERSHIP AND VOTING

- Section 1. Membership in the Association. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:
- A. <u>Designation of Members</u>. Each Co-owner shall be a member of the Association and no other person or entity shall be entitled to membership.
- B. <u>Co-owner's Share of the Funds</u>. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to a Unit in the Condominium.

- C. <u>Co-owner Voting Designation</u>. Except as limited in these Restated Bylaws, each Co-owner shall be entitled to one vote for each Condominium Unit owned, provided that said Co-owner is in good standing and not in default of any payment of regular or special assessments against said Co-owner's Unit or in violation of any provisions of the Condominium Documents. Voting shall be by number. In the case of any Unit owned jointly by more than one Co-owner, the voting rights appurtenant to that Unit may be exercised only jointly as a single vote.
- D. Evidence of Ownership for Voting Purposes. No Co-owner shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. The vote of each Co-owner may be cast only by the Co-owner or by a proxy given by such individual representative.
- E. <u>Designation of Voting Representative</u>. Each corporate, partnership, LLC or other business or legal entity Co-owner, that is not a natural person, shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association (one vote per Unit) and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, LLC, association, trust or other entity that 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. At any meeting the filing of such written notice as a prerequisite to voting may be waived by the chairperson of the meeting.
- F. Quorum. The presence in person or by proxy of twenty-five percent (25%) of the Co-owners qualified to vote, in number, shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required herein to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy, or by such date as is established for voting in cases where no meeting is held, shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast. Any member who participates by remote communication in a meeting of members of the Association, as provided in Article IX, Section 5 below, shall also be counted in determining the necessary quorum.
- G. <u>Voting</u>. Votes may be cast in person, in writing duly signed by the designated voting representative, or by any other means allowed by the voting procedures adopted by the Association for a given vote, provided the same are not in violation of the provisions of these Amended and Restated Bylaws and Michigan law. Any proxies, written votes or other votes cast by means allowed hereunder must be filed with the Secretary of the Association or the Association's management agent at or before the appointed time of each meeting of the members of the Association or voting deadline if no meeting held. Votes may be cast by mail, fax, delivery, electronically (by any method not directly involving the physical transmission of paper, which creates a record that may be retrieved and retained by the Association and may be directly reproduced in paper form by the Association through an automated process), or any other method approved by the Association in advance of the vote. Cumulative voting shall not be permitted.

- H. <u>Majority</u>. Any action that could be authorized at a meeting of the members shall be authorized by the vote of a simple majority in number of those Co-owners voting in person or by proxy at said meeting, or by alternative means, in accordance with the provisions of these Bylaws. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth.
- Action Without Meeting. Any action that may be taken at a meeting of the members (except the removal of a Director) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner (with respect to notice) as provided in Article IX, Section 4, hereof. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast. Votes may be cast in accordance with this paragraph by mail, hand delivery, electronically or by facsimile.
- J. <u>Consent of Absentees</u>. The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy, 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 2. Records and Books of the Association. The Association shall keep detailed books of account showing all expenditures and receipts of administration that shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least one (1) time a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be "reviewed" 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. institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration. The Association also shall maintain on file current copies of the Amended and Restated Master Deed for the Project, any amendments thereto and all other Condominium Documents and shall permit all Co-owners, prospective purchasers and prospective mortgagees interested in the Project to inspect the same during reasonable business hours.

#### **ARTICLE IX**

#### MEETINGS

Section 1. Place of Meetings. Meetings of the Association members shall be held at any suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association members shall be guided by Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Articles of Incorporation, the Master Deed or the laws of the State of Michigan. Only Co-owners in good standing, and their legal representatives, may speak at meetings of the Association and/or address the Board or Co-owners at any such meetings. Any person in violation of this provision or the rules of order governing the meeting, which are incorporated herein by reference, may be removed from such meeting, without any liability to the Association or its Board of Directors.

Section 2. Annual Meetings. The first annual meeting of members of the Association has already been held. Thereafter, the annual meetings of members of the Association shall be held in the month of April each succeeding year at such time and place as shall be determined by the Board of Directors. The Board of Directors may, acting by a majority vote, change the date of the annual meeting in any given year provided that at least one such meeting is held in each calendar year. Written notice of each annual meeting, as well as any change in the date of the annual meeting as provided for herein, shall be given to all Co-owners at least fifteen (15) days before the date for which the meeting is or was originally scheduled. At the annual meeting, there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article X of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 3. Special Meetings. 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 in good standing in number presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of such Association officer or the management company, as directed by the Board of Directors) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner, at least fifteen (15) days, but not more than sixty (60) days, prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 1.E of these Bylaws or to the address of the unit owned by the Co-owner shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver when filed in the records of the Association shall be deemed due notice.

Section 5. Remote Communication Attendance; Remote Communication Meetings. A member may participate in a meeting of the members by a conference telephone or by other means of remote communication through which all persons participating in the meeting

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

Section 6. Adjournment for Lack of Quorum. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the 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. Notice of any such adjournment shall be given to each Co-owner by telephone and by e-mail if available, notwithstanding the other notice provisions of these Bylaws. The quorum for each subsequent meeting shall be reduced by one-quarter (1/4) from the quorum requirement of the previously scheduled meeting.

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 purpose of election of Directors of officers); (g) election of Directors (at annual meeting or special meetings held for such purpose; (h) unfinished business; and (i) new business. Meeting 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.** Minutes. Minutes or a similar record of the proceedings of meetings of members, or of the Board of Directors, when signed by the President or Secretary, shall be presumed to accurately set forth the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

#### ARTICLE X

## **BOARD OF DIRECTORS**

- Section 1. Qualification and Number of Directors. The affairs of the Association shall be governed by a Board of Directors all of who must be Co-owners of Units in The Terraces At Northville Ridge Condominium and be in good standing. 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. Any director who is delinquent in any financial obligation owed to the Association, including late fees, shall pay in full the amount due within sixty (60) days of the delinquency. During the period of delinquency, the director shall not be permitted to vote on any delinquency matter of another Co-owner, including matters that may affect the director's own Unit. If the director does not comply with the delinquency cure time period, the director shall be deemed removed from the Board of Directors for the remainder of the director's term and the vacancy shall be filled in accordance with Section 5 of this Article X. The Board shall consist of five (5) members. No two occupants of the same Unit may serve on the Board of Directors at the same time. Directors shall serve without compensation.
- Section 2. <u>Term of Directors</u>. The respective terms of office for the Directors have been staggered based on election procedures previously adopted by the Association. In each year hereafter, either two or three directors shall be elected for two year terms depending on how many directorships expire that year. All directors shall hold office until their successors have been elected and hold their first meeting.
- **Section 3.** Powers and Duties. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things necessary thereto subject always to the Condominium Documents and applicable laws. In addition to the foregoing general powers and duties imposed by these Restated Bylaws, or any further powers and duties that may be imposed by law or the Articles of Incorporation, the Board of Directors shall be responsible specifically for the following:
- A. <u>Management and Administration</u>. To manage and administer the affairs of and maintenance of the Condominium Project and the Common Elements thereof, all to the extent set forth in the Amended and Restated Master Deed, or elsewhere in the Condominium Documents.
- B. <u>Collecting Assessments</u>. To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- C. <u>Insurance</u>. To carry insurance and collect and allocate the proceeds thereof in the manner set forth in Article IV hereof.
- D. Rebuild Improvements. To rebuild improvements after casualty, subject to the terms hereof.
- E. <u>Contract and Employ Persons</u>. To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.
- F. Real or Personal Property. To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and any easements, right-of-ways and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.

- G. <u>Easements and Telecommunications</u>. To grant such easements, licenses and other rights of entry, use and access, and to enter into any contract or agreement, including wiring agreements, utility agreements, right of way agreements, access agreements and 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, earth antenna 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, and shall be paid over to and shall be the property of the Association.
- H. <u>Borrow Money</u>. To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association, provided, however, that any such action shall also be approved by affirmative vote of more than fifty percent (50%) of all of the members of the Association.
- l. Rules and Regulations. To make rules and regulations in accordance with Article VI, Section 11 of these Bylaws.
- J. <u>Committees</u>. 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, or any specific Officers or Directors of the Association any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.
- K. <u>Enforce Documents</u>. To enforce the provisions of the Condominium Documents.

Section 4. Professional Management. The Board of Directors may employ for the Association a professional management agent at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 3 of this Article X, 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, with or without cause, to the other party. In the event the Board does employ professional management for the Association, the Board shall secure the written approval of each institutional holder of a first mortgage lien on any Unit in the Condominium prior to terminating professional management and assuming self management.

- Section 5. <u>Vacancies</u>. 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 appointed shall be a director until the end of the term of the Director who he/she replaced and a successor is elected at such annual meeting of the Association.
- Section 6. Removal of Directors. At any regular or special meeting of the Association duly called and held, any one or more of the directors may be removed with or without cause by the affirmative vote of more than fifty (50%) percent of all Co-owners, and a successor may then and there be elected to fill the vacancy thus created. The quorum requirement for the purpose of filling any vacancy shall be the normal 35% requirement set forth in Article VIII, Section 1F. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.
- **Section 7.** First Meeting of New Board. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place and time as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, provided a majority of the entire Board is present at such a meeting.
- **Section 8.** 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 directors. At least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally, or by mail, electronically or by telephone prior to the date named for such meeting, unless waived by said director.
- **Section 9.** Special Meetings. Special meetings of the Board of Directors may be called by the president on notice to each director, given personally, or by mail, electronically or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the president or secretary in like manner and on like notice on the written request of two directors.
- Section 10. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing or orally, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meetings of the Board shall be deemed a waiver of notice by that director 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 11. 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 present at a meeting at which a quorum is present shall be the acts of the Board of Directors. A Director will be considered present and may vote on matters before the Board by teleconference, electronically or by any other method giving the remainder of the Board sufficient notice of the absent Director's vote and position on any given matter, provided, however, that any vote not in writing is confirmed in writing not later than the next meeting of the Board. If, at any meeting of the Board of Directors, there be less

than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such director for purposes of determining a quorum.

Section 12. Action Without Meeting. 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, including by electronic transmission, by the requisite majority of the Board of Directors. Further, the presiding officer of the Association, in exceptional cases requiring immediate action, may poll all Directors by phone for a vote, and provided the action is consented to by the requisite number of Directors, such vote shall constitute valid action by the Board, provided the results of the vote and the issue voted upon are noted in the minutes of the next Board meeting to take place.

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

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

**Section 15.** 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 in amounts as required under Article IV, hereof. The premiums for such bonds shall be expenses of administration.

#### **ARTICLE XI**

#### **OFFICERS**

Section 1. <u>Designation</u>. The principal officers of the Association shall be a president, vice president, secretary and treasurer. The directors may appoint such other officers as in their judgment may be necessary. Any two offices except that of president and vice president may be held by one person. All officers must be Co-owners and members of the Board of Directors.

- **Section 2.** Appointment. The officers of the Association shall be appointed annually by the Board of Directors and shall hold office at the pleasure of the Board.
- Section 3. Removal. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed by the Board of Directors either with or without cause, and the successor to the removed officer may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.
- Section 4. President. The president shall be the chief executive officer of the Association, and shall preside at all meetings of the Association and of the Board of Directors. The president shall have all of the general powers and duties which are usually vested in the office of the president of a corporation, including, but not limited to, the power to appoint committees from among the members of the Association from time to time in the president's discretion as may be deemed appropriate to assist in the conduct of the affairs of the Association.
- **Section 5.** <u>Vice President.</u> The vice president, if one is elected, shall take the place of the president and perform the president's duties whenever the president shall be absent or unable to act. If neither the president nor the vice president are able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The vice president shall also perform such other duties as shall from time to time be imposed by the Board of Directors.
- **Section 6.** Secretary. The secretary shall keep the minutes of all Board and Association meetings, have charge of the corporate minute book, and of such books and papers as the Board of Directors may direct; and shall in general, perform all duties incident to the office of the secretary.
- Section 7. Treasurer. The treasurer or management agent shall have responsibility for all Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The treasurer or management agent shall be responsible for the deposit of all monies and other valuable papers of the Association, in the name of and to the credit of the Association, in such depositories as may from time to time be designated by the Board of Directors.

#### **ARTICLE XII**

#### **FINANCES**

- **Section 1.** Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Board of Directors. The commencement date of the fiscal year of the Association shall be subject to change by the Board of Directors for accounting reasons or other good cause.
- Section 2. <u>Banking</u>. The funds of the Association shall be deposited in such bank or other depository as may be designated by the Board of 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.

**Section 3.** <u>Investment of Funds</u>. Funds of the Association shall only be held in accounts that are fully insured and/or backed by the full faith and credit of the United States Government. Only depositories or instruments where there is no risk of principal loss may be utilized by the Association for investment of its monies.

#### **ARTICLE XIII**

#### INDEMNIFICATION

Section 1. Indemnification of Directors and Officers. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and amounts paid in settlement incurred by or imposed upon the director or officer in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, to which the director or officer may be a party or in which he/she may become by reason of his/her being or having been a director or officer of the Association, whether or not he/she is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty or willful or wanton misconduct or gross negligence in the performance of the director's or officer's duties, and 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 Board of Directors (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 that it has approved, the Board of Directors 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. No director or officer shall collect for the same expense or liability under Section 1 above and under this Section 2; however, to the extent that the liability insurance provided herein to a director or officer was not waived by such director or officer and is inadequate to pay any expenses or liabilities otherwise properly indemnifiable under the terms hereof, a director or officer shall be reimbursed or indemnified only for such excess amounts under Section 1 hereof.

#### **ARTICLE XIV**

#### COMPLIANCE

**Section 1.** Compliance With The Documents. The Association of Co-owners and all present or future Co-owners, their personal or legal representatives, lienholders, tenants, future tenants, assigns or any other persons acquiring an interest in or using the facilities of the Condominium in any manner are subject to and shall comply with the provisions of the Act, Amended and Restated Master Deed, these Bylaws, the Articles of Incorporation of the

Association and the Rules and Regulations of the Condominium. In the event that such Amended and Restated Master Deed, these Bylaws or Articles of Incorporation conflict with the provisions of any Statute, the Statute shall govern. If any provision of these Bylaws conflicts with any provision of the Amended and Restated Master Deed, the Amended and Restated Master Deed shall govern.

**Section 2.** Amendment. These Bylaws may be amended in accordance with the Act and the provisions of Article IX of the Amended and Restated Master Deed for The Terraces At Northville Ridge Condominium.

**Section 3.** <u>Definitions.</u> All terms used herein shall have the same meaning as set forth in the Amended and Restated Master Deed to which these Bylaws are attached as an Exhibit, or as set forth in the Act.

#### **ARTICLE XV**

# **REMEDIES FOR DEFAULT**

**Section 1.** <u>Default by a Co-owner.</u> Any default by a Co-owner (including his legal or personal representatives – such as guardian, conservator, trustee, holder of a power of attorney and the like), shall entitle the Association or another Co-owner or Co-owners to the following relief:

- A. Remedies for Default by a Co-owner to Comply with the Documents. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association, or, if appropriate, by an aggrieved Co-owner or Co-owners.
- B. Costs Recoverable From Co-owner. Failure of a Co-owner and/or non-Co-owner resident or guest to comply with the Condominium Documents shall entitle the Association to recover from such Co-owner or non-Co-owner resident or guest the prelitigation costs and actual reasonable attorneys' fees incurred in obtaining their compliance with the Condominium Documents. In addition, in any proceeding arising because of an alleged default by any Co-owner, or in cases where the Association must defend an action brought by any Co-owner(s) or non-Co-owner resident or guest, (regardless if the claim is original or brought as a defense, a counterclaim, cross claim or otherwise), the Association, if successful, shall be entitled to recover from such Co-owner or non-Co-owner resident or guest pre-litigation costs, the costs of the proceeding and actual attorney's fees (not limited to statutory fees), incurred in defense of any claim or obtaining compliance or relief, but in no event shall any Co-owner be entitled to recover such attorney's fees or costs against the Association.
- C. Association's Right to Abate. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements, limited or general, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or

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

- D. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations in accordance with Article XVI of these Bylaws. Fines may be assessed only upon notice to the offending Co-owners as prescribed in said Article XVI, Section 2, and after a hearing at which such Co-owner may, offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws.
- Section 2. Failure to Enforce Rights. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition that may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provisions, covenant or condition in the future.
- Section 3. <u>Cumulative Rights</u>. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the 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. Rights of Co-owners. A Co-owner may maintain an action the Association to compel enforcement of the provisions of the Condominium Documents, and may maintain an action for injunctive relief or damages against any other Co-owner for noncompliance with the Condominium Documents. Even if successful, Co-owners may not recover attorneys fees from the Association, but may recover such fees from another Co-owner if successful in obtaining compliance with the Condominium Documents.

#### **ARTICLE XVI**

#### **FINES**

- Section 1. General. The violation by any Co-owner, occupant or guest of any of the provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted through such Co-owner to the Condominium Premises.
- Section 2. <u>Procedures</u>. Upon any such violation being alleged by the Board, the following procedures will be followed:
- A. <u>Notice</u>. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be

sent by first class mail, postage prepaid, or personally delivered to the Co-owner at the address on file with the Association.

- B. Hearing. The offending Co-owner shall be scheduled for a hearing before the Board of Directors, at which time the Co-owner shall have an opportunity to offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting or the Board's earliest convenience, but in no event shall the Co-owner be required to appear less than 10 days from the date of the notice.
- C. <u>Default</u>. Failure to appear at the hearing or respond to the notice of violation by the date set for the hearing constitutes a default.
- D. <u>Hearing and Decision</u>. Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or, in the event of the Co-owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board' decision is final.

**Section 3.** Fines. Upon violation of any of the provisions of the Condominium Documents, and after default of the offending Co-owner, or upon the decision of the Board as recited above, the following fines may be levied:

1.	FIRST VIOLATION	No fine will be levied
2.	SECOND VIOLATION	\$50.00 Fine
3.	THIRD VIOLATION	\$100.00 Fine
4.	FOURTH VIOLATION AND ALL SUBSEQUENT VIOLA	\$200.00 Fine TIONS

The Board of Directors, without the necessity of an amendment to these Bylaws, may make such changes in said fines or adopt alternative fines, including the indexing of such fines to the rate of inflation, in accordance with duly adopted Rules and Regulations promulgated in accordance with Article VI, Section 11 of these Bylaws. For purposes of this Section, the number of the violation (i.e. first, second etc.) is determined with respect to the number of times that a Co-owner violates the same provision of the Condominium Documents, as long as that Co-owner may be an owner of a Unit or occupant of the Project, and is not based upon time or violations of entirely different provisions. In the case of continuing violations, a new violation will be deemed to occur each successive seven day period into which a violation continues. Nothing in this Article shall be construed as to prevent the Association from pursuing any other remedy under the Condominium Documents and/or the Act for such violations, or from combining a fine with any other remedy or requirement to redress any violation.

**Section 4.** Collection. The fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be due and payable together with the regular Condominium assessment on the first day of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitations, those described in Article II and Article XV of these Bylaws.

## **ARTICLE XVII**

## **SEVERABILITY**

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

# CONDOMINIUM BYLAWS

# **TABLE OF CONTENTS**

ARTICLE I ASSOCIATION OF CO-OWNERS		
Section 1.	The Association.	••••
Section 2.	Purpose of the Bylaws.	••••
<b>ARTICLE II</b> ASS	ESSMENTS	
Section 1.	Taxes and Assessments; Expenses of Administration.	
Section 2.	Assessments for Common Elements	
Section 3.	Determination of Assessments.	
- A.	Annual Budget.	ء د
B.	Additional Assessments.	2
C.	Special Assessments.	2
D.	Reserve Fund.	2
Section 4.	Payment of Assessments and Penalty for Default	ى
Section 5.	Waiver of Use or Abandonment of Unit.	C
Section 6.	Enforcement.	٠٩
A.	Statutory Lien.	4
B.	Remedies.	4
C.	Foreclosure of Lien.	4
D.	Notice of Action.	4
E.	Expenses of Collection.	D
Section 7.	Liability of Mortgagee	o
Section 8.	Assessment Status Upon Sale of Unit.	D
Section 9.	Construction Liens.	ø
	CONSTRUCTION ENGINEERS	ช
ARTICLE III ARB	ITRATION	6
Section 1.	Arbitration.	٠ ء
Section 2.	Right to Judicial Action.	O
Section 3.	Effect of Election to Arbitrate.	<i>!</i> 7
Section 4.	Mediation	/ 7
		1
ARTICLE IV INSU	JRANCE	7
Section 1.	Extent of Coverage.	1
Α.	Respective Responsibilities.	7
В.	Insuring of Common Elements.	/ Q
C.	Cost of Insurance.	0
D.	Proceeds of Insurance Policies.	O
Ë.	Determination of Primary Carrier.	٥
Section 2.	Association as Attorney-in-Fact.	٥
Section 3.	Indemnification.	9
	mountained to the control of the con	ษ
ARTICLE V RECO	ONSTRUCTION OR REPAIR IN CASE OF CASHALTY	10

Section 1.	Determination of Responsibility.	10
A.	Repair or Reconstruction.	10
В.	Decision Not to Repair or Reconstruct.	10
Section 2.	Repair and Reconstruction To Condition Existing Prior to Damage	10
Section 3.	Co-owner Responsibility for Reconstruction or Repair.	10
A.	Definition of Responsibility.	-10
B.	Co-owner Items	10
Section 4.	Association Responsibility for Reconstruction or Repair of Common	10
	Elements.	4.4
Section 5.	Timing	44
Section 6.	Eminent Domain	[ <del>]</del>
Α.	Common Elements Taken by Eminent Domain.	
B.	Condominium Unit Taken by Eminent Domain.	1
C.	Partial Taking of a Condominium Unit.	12
D.	Impossibility of Use of Portion of Unit not Taken by Eminent	12
	Domain On Ose of Fortion of Offic hot Taken by Eminent	
E.	Domain Future Expenses of Administration Appertaining to Condominium	12
<del>-</del>	Unit(s) Taken by Eminort Domain	
F.	Unit(s) Taken by Eminent Domain.	12
G.	Condominium Continuation after the taking by Eminent Domain	12
Section 7.	Condemnation or Eminent Domain Proceeding.	13
Section 8.	Rights of First Mortgagees.	13
0000011 0.	Notification to Mortgagees and Guarantors	13
ARTICLE VI RES	STRICTIONS	
Section 1.		13
A.	Use of Condominium Unit.	13
В.	Single Family Use	13
Section 2.	Occupancy Restrictions.	13
Α.	Leasing and Rental of Units	14
В.	Right to Lease.	14
Section 3.	Procedures for Leasing.	14
A.	Alterations and Modifications.	15
B:	Alterations	15
Section 4.	Modifications or Improvements to Accommodate the Disabled	18
Section 5.	Conduct upon the Condominium Premises.	19
A. =	Animals upon the Condominium Premises	20
B.	Restrictions Applicable to Pets in the Project.	20
Section 6.	Association Remedies	20
Section 7.	Use of Common Elements.	20
Section 7.	Obstruction of Common Elements	21
A.	Vehicles upon the Condominium Premises.	21
А. В.	Commercial Vehicles	21
В. С.	Standing Vehicles, Repairs	22
	Parking Restrictions	22
D.	Association Rights	. 22
Section 9.	Prohibition of Dangerous Items upon the Condominium Premises	22
Section 10.	Signs upon the Condominium Premises	. 22
Section 11.	Regulations Consistent with the Act	22
Section 12.	Association Access to Units and/or Limited Commons Elements	22
Section 13.	Landscaping and Decoration of Common Elements.	23

Section 14.	Co-owner Maintenance of Unit and Limited Common Elements	
Section 15.	Application of Restrictions to the Association.	24
Section 16.	Costs of Enforcing Documents.	24
Section 17.	Association Approvals Revocable.	24
ARTICLE VII M	ORTGAGES	21
Section 1.	Notification of Mortgage	
Section 2.	Notification to Mortgagee of Insurance Company	ይዩ
Section 3.	Notification to Mortgagee of Meetings.	کر
Section 4.	Notification to Mortgagees and Guarantors	،2ذ 25
ADTICLE VIII V		
ARTICLE VIII M	IEMBERSHIP AND VOTING	25
Section 1.	Membership in the Association.	25
Α.	Designation of Members.	25
В.	Co-owner's Share of the Funds.	
C.	Co-owner Voting Designation	26
D.	Evidence of Ownership for Voting Purposes	26
E	Designation of Voting Representative.	26
F.	Quorum.	26
G.	Voting.	
H.	Majority	
1.	Action Without Meeting	27
J.	Consent of Absentees.	27
Section 2.	Records and Books of the Association.	27
ARTICLE IX ME	ETINGS	00
Section 1.		
Section 2.	Place of Meetings	28
Section 2.	Annual Meetings.	28
Section 4.	Special Meetings.	28
	Notice of Meetings	28
Section 5.	Remote Communication Attendance; Remote Communication	00
Section 6.	Meetings	28
Section 7.	Adjournment for Lack of Quorum.	29
Section 8.	Order of Business Minutes	
Section 6.	will tates	29
ARTICLE X BOA	ARD OF DIRECTORS	29
Section 1.	Qualification and Number of Directors.	30
Section 2.	Term of Directors	30
Section 3.	Powers and Duties	30
A.	Management and Administration	30
B.	Collecting Assessments.	
C.	Insurance.	30
D.	Rebuild Improvements	30
E.	Contract and Employ Persons.	30
F.	Real or Personal Property.	3U
G.	Easements and Telecommunications.	21
H.	Borrow Money.	
1.	Rules and Regulations.	31

	J.	Committees	. 3
	K.	Enforce Documents.	
	Section 4.	Professional Management.	
	Section 5.	Vacancies	3
	Section 6.	Removal of Directors.	3°
	Section 7.	First Meeting of New Board.	رد عر
	Section 8.	Regular Meetings.	
	Section 9.	Special Meetings.	
	Section 10.	Waiver of Notice.	
	Section 11.	Quorum	
	Section 12.	Action Without Meeting	
	Section 13.	Closing of Board of Directors' Meetings to Members; Privileged	., 0
		Minutes	31
	Section 14.	Remote Communication Participation	31
	Section 15.	Fidelity Bonds.	
		. isolity bolloon illining and in the same and	J
AF	RTICLE XI OFF	TCERS	33
	Section 1.	Designation	33
	Section 2.	Appointment.	
	Section 3.	Removal.	
	Section 4.	President.	
	Section 5.	Vice President.	
	Section 6.	Secretary	
	Section 7.	Treasurer	
AF	RTICLE XII FIN	ANCES	34
	Section 1.	Fiscal Year	
	Section 2.	Banking	34
	Section 3.	Investment of Funds	35
۸۵	TICLE VIII INIE	DEMANUELO A TIONI	
ĄГ	Section 1.	DEMNIFICATION	35
	Section 1.	mediate of Brookers and Omoord	
	Section 2.	Directors' and Officers' Insurance	35
ΔR	TICLE XIV CO	MPLIANCE	25
	Section 1.		
	Section 2.	Compliance With The Documents.	35
	Section 3.	Amendment Definitions	3b
	00011011 0.	Definitions	30
AR	TICLE XV RE	MEDIES FOR DEFAULT	. રહ
	Section 1.	Default by a Co-owner.	36
	A.	Remedies for Default by a Co-owner to Comply with the	00
*		Documents	36
	B.	Costs Recoverable From Co-owner.	
	C.	Association's Right to Abate.	
	D.	Assessment of Fines.	
	Section 2.	Failure to Enforce Rights.	37 37
	Section 3.	Cumulative Rights.	
	Section 4.	Rights of Co-owners.	37

ARTICLE XVI FINES	
General	37
Procedures	37
Notice	37
Hearing	38
Default	
Hearing and Decision.	
Fines	38
Collection	38
SEVERABILITY	39
	General. Procedures. Notice. Hearing. Default. Hearing and Decision. Fines. Collection.

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CERTIFICATE OF	AMENDMENT TO THE A	RTICLES OF INCO	RPORATION
For a	use by Domestic Profit and N	onprofit Corporations	
(P	lease read information and instruc	tions on the last page)	
Pursuant to the provisions of	of Act 284, Public Acts of 1972 (profi	t corporations), or Act 162, Pul	blic Acts of 1982
profit corporations), the unde	ersigned corporation executes the fo	llowing Certificate:	
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# COMPLETE ONLY ONE OF THE FOLLOWING: 4. Profit or Nonprofit Corporation: For amendments adopted by unanimous consent of incorporators before the first meeting of the board of directors or trustees. The foregoing amendment to the Articles of Incorporation was duly adopted on the \_\_\_\_\_\_day of , in accordance with the provisions of the Act by the unanimous consent of the incorporator(s) before the first meeting of the Board of Directors or Trustees. Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_, (Signature) (Signature) (Type or Print Name) (Type or Print Name) (Signature) (Signature) (Type or Print Name) (Type or Print Name) 5. Profit Corporations Only: Shareholder or Board Approval The foregoing amendment to the Articles of Incorporation was duly adopted on the day of by the: (check one of the following) shareholders at a meeting in accordance with Section 611(3) of the Act. written consent of the shareholders having not less than the minimum number of votes required by statute in accordance with Section 407(1) of the Act. Written notice to shareholders who have not consented in writing has been given. (Note: Written consent by less than all of the shareholders is permitted only if such provision appears in the Articles of Incorporation.) written consent of all the shareholders entitled to vote in accordance with section 407(2) of the Act. board of a profit corporation pursuant to section 611(2) of the Act. Profit Corporations and Professional Service Corporations Signed this \_\_\_\_\_ day of \_\_\_\_\_, (Type or Print Name)

6.	Nonprofit corporation only: Member, shareholder, or board approval		
	The foregoing amendment to the Articles of Incorporation was duly adopted on theday of		
	, 2010 by the (check one of the following)		
	Member or shareholder approval for nonprofit corporations organized on a membership or share basis		
	written consent of the members or shareholders having not less than the minimum number of votes required by statute in accordance with Section 407(1) and (2) of the Act. Written notice to members or shareholders who have not consented in writing has been given. (Note: Written consent by less than all of the members or shareholders is permitted only if such provision appears in the Articles of Incorporation.)		
	written consent of all the members or shareholders entitled to vote in accordance with section 407(3) of the Act.		
	Directors (Only if the Articles state that the corporation is organized on a directorship basis)		
	directors at a meeting in accordance with Section 611(2) of the Act.		
	written consent of all directors pursuant to Section 525 of the Act.		
	Nonprofit Corporations		
	Signed this day of, 201		
	By(Signature of President, Vice-President, Chairperson or Vice-Chairperson)		
	President		
	(Type or Print Name) (Type or Print Title)		

Name of person or organization remitting fees:

Makower Abbate and Associates, PLLC

Preparer's name and business telephone number:

Mark F. Makower

(248) 254-7600

#### INFORMATION AND INSTRUCTIONS

- 1. This form may be used to draft your Certificate of Amendment to the Articles of Incorporation. A document required or permitted to be filed under the act cannot be filed unless it contains the minimum information required by the act. The format provided contains only the minimal information required to make the document fileable and may not meet your needs. This is a legal document and agency staff cannot provide legal advice.
- Submit one original of this document. Upon filing, the document will be added to the records of the Bureau of Commercial Services. The original
  will be returned to your registered office address, unless you enter a different address in the box on the front of this document.

Since this document will be maintained on electronic format, it is important that the filing be legible. Documents with poor black and white contrast, or otherwise illegible, will be rejected.

- 3. This Certificate is to be used pursuant to the provisions of section 631 of Act 284, P.A. of 1972 or Act 162, P.A. of 1982, for the purpose of amending the Articles of Incorporation of a domestic profit corporation or nonprofit corporation. Do not use this form for restated articles.
- 4. Item 2 Enter the identification number previously assigned by the Bureau. If this number is unknown, leave it blank.
- 5. Item 3 The article(s) being amended must be set forth in its entirety. However, if the article being amended is divided into separately identifiable sections, only the sections being amended need be included.
- 6. If the amendment changes the term of existence to other than perpetual, all nonprofit corporations except churches must obtain a consent to dissolution, or a written statement that the consent is not required, from the Michigan Attorney General, Consumer Protection and Charitable Trusts Division, P.O. Box 30214, Lansing, MI 48909, (517) 373-1152. Application for the consent should be made at least 45 day before the desired effective date of the dissolution. This certificate cannot be filed unless it is accompanied by the consent or written statement.
- This document is effective on the date endorsed "filed" by the Bureau. A later effective date, no more than 90 days after the date of delivery, may
  be stated as an additional article.
- 8. Signatures:

Profit Corporations: (Complete either Item 4 or Item 5)

- 1) Item 4 must be signed by at least a majority of the Incorporators listed in the Articles of Incorporation.
- 2) Item 5 must be signed by an authorized officer or agent of the corporation.

Nonprofit Corporations: (Complete either Item 4 or Item 6)

- 1) Item 4 must be signed by all of the incorporators listed in the Articles of Incorporation.
- 2) Item 6 must be signed by either the president, vice-president, chairperson or vice-chairperson.
- 9. FEES: Make remittance payable to the State of Michigan. Include corporation name and identification number on check or money order.

NONREFUNDABLE FEE:

\$10.00

ADDITIONAL FEES DUE FOR INCREASED AUTHORIZED SHARES OF PROFIT CORPORATIONS ARE:

Amount of Increase	Fee
1-60,000	\$50.00
60,001-1,000,000	\$100
1,000,001-5,000,000	\$300
5,000,001-10,000,000	\$500

More than 10,000,000 \$500 for first 10,000,000 plus \$1000.00 for each additional 10,000,000, or portion thereof.

To submit by mail:

Michigan Department of Labor & Economic Growth Bureau of Commercial Services - Corporation Division P.O. Box 30054

Lansing, Michigan 48909

To submit in person:

2501 Woodlake Circle Okemos, MI Telephone: (517) 241-6470

Fees may be paid by VISA or Mastercard when delivered in person to our office.

MICH-ELF (Michigan Electronic Filing System):

First time users: Call (517) 241-6470, or visit our website at http://www.michigan.gov/corporations

Customer with MICH-ELF Filer Account: Send document to (517) 636-6437

The Department of Labor & Economic Growth will not discriminate against any individual or group because of race sex, religion, age, national origin, color, marital status, disability or political beliefs. If you need help with reading, writing, hearing, etc., under the Americans with Disabilities Act, you may make your needs known to this agency.

# New expedited services beginning January 1, 2006.

Expedited review and filing, if fileable, is available for all documents for profit corporations, limited liability companies, limited partnerships and nonprofit corporations.

The expedited service fees are in addition to the regular fees applicable to the specific document:

Please complete a separate BCS/CD 272 form for expedited service for each document via in person, mail and MICH-ELF.

24-hour service - \$50 for formation documents and applications for certificate of authority.

24-hour service - \$100 for any document concerning an existing entity.

#### Same day service

 Same day - \$100 for formation documents and applications for certificate of authority.

Same day - \$200 for any document concerning an existing entity Review completed on day of receipt. Document and request for same day expedited service must be received by 1 p.m. EST or EDT.

#### Two hour - \$500

Review completed within two hours on day of receipt. Document and request for two hour expedited service must be received by 3 p.m. EST or EDT.

#### One hour - \$1000

Review completed within one hour on day of receipt. Document and request for one hour expedited service must be received by 4 p.m. EST or EDT.

First time MICH-ELF user requesting expedited service must obtain a MICH-ELF filer number prior to submitting a document for expedited service. BCS/CD-901

Changes to information on MICH-ELF user's account must be submitted before requesting expedited service, form BCS/CD-901.

Rev. 8/06

#### Article IX

# **Action Without Meeting**

Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written vote of the members. Written votes shall be solicited in the same manner (with respect to notice) as provided in the Condominium Bylaws. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which written votes must be received in order to be counted. The form of written vote shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written vote shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of written votes which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of written votes cast. Votes may be cast in accordance with this paragraph by mail, hand delivery, electronically or by facsimile, as directed by the Association.

#### Article X

# Claims against Volunteers; Assumption of Volunteer Liability by the Corporation

Section 1. <u>Claims against Volunteers</u>. Under all circumstances except those listed in Sections 2.(a)-(e), below, no person or entity shall bring or maintain a claim for monetary damages against a volunteer director, volunteer officer, or other volunteer of the Association for a volunteer director, volunteer officer, or other volunteer's acts or omissions. Any such claim shall be brought and maintained against the Association.

Section 2. <u>Assumption of Volunteer Liability</u>. The Association shall assume, pay for, and undertake all obligations and liability for any and all acts or omissions of its volunteer directors, volunteer officers, or other volunteers, if all of the following are met:

- (a) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.
- (b) The volunteer was acting in good faith.
- (c) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.
- (d) The volunteer's conduct was not an intentional tort.

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

## Article XI

# Indemnification

In addition to the provisions of Article X, the Association may indemnify its volunteer directors, volunteer officers, volunteers, individuals, or persons in the following manner:

Individuals. The Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal including all appeals (including an action, suit, or proceeding by or in the right of the Association), by reason of the fact that he is or was a Director, officer, or volunteer of the Association, against expenses (including attorneys' fees), judgments, decrees, fines, penalties, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was lawful, except that no indemnification shall be made in respect to any claim, issue, or matter as to which such person shall have been finally adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that a court shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses as the court shall deem proper.

Section 2. <u>Expenses</u>. To the extent that a Director, officer, or volunteer has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 1, or in defense of any claim, issue, or matter therein, and indemnification is granted, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith and in any action, suit or proceeding brought to enforce the indemnification provided for herein.

Section 3. <u>Determination of Right to Indemnification</u>. Except in a situation governed by Section 2, any indemnification under Section 1 (unless ordered by a Court) shall be made by the Association only as authorized in the specific case upon determination that indemnification of the Director, officer, or volunteer is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1. Such determination shall be made (a) by a majority vote of Directors acting at a meeting at which a quorum consisting of Directors who were not parties to such action, suit, or proceeding is present, or (b) if such a quorum is not obtainable (or even if obtainable), and a majority of disinterested Directors so directs, by

independent legal counsel (compensated by the Association), in a written opinion, or (c) if such a quorum is not obtainable, then by a majority vote of a committee of Directors who are not parties to the action (such committee shall consist of not less than two (2) disinterested Directors), or (d) by the shareholders or members.

Section 4. Advance Payment of Expenses. Expenses of each person indemnified hereunder incurred in defending a civil, criminal, administrative, or investigative action, suit, or proceeding (including all appeals), or threat thereof, may be paid by the Association in advance of the final disposition of such action, suit, or proceeding as authorized by the Board of Directors, whether a disinterested quorum exists or not, upon receipt of an undertaking by or on behalf of the director, officer, or volunteer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made, but need not be secured.

Section 5. <u>Rights Not Exclusive</u>. The indemnification or advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled as a matter of law or under the Articles of Incorporation, these Bylaws, or any contractual agreement. However, the total amount of expenses for indemnification from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses. The indemnification provided for in this Article shall continue as to a person who has ceased to be a Director, officer, or volunteer and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 6. <u>Directors and Officers Liability Insurance</u>. The Association may purchase and maintain insurance on behalf of any person who is or was a Director, officer, or volunteer of the Association, or is or was serving at the request of the Association as a unpaid, volunteer Director, officer, or volunteer of another corporation (whether non-profit or for profit), partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article or of the Michigan Non-Profit Corporation Act.

To the extent that any provision of this Article XI conflicts with the provisions of Article X, the provisions of Article X shall be controlling.

#### Article XII

#### Amendment

These Articles may be amended by the affirmative vote of 51% of the members of the Association entitled to vote.