

**CONDOMINIUM BYLAWS
VILLAGE MANOR CONDOMINIUMS**

ARTICLE 1
ASSOCIATION OF OWNERS

SECTION 1. The Association – Village Manor Condominium, a residential condominium project located in the Township of Plymouth, Michigan, shall be administered by an association of Owners as 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 Master Deed, these Bylaws, and Articles of Incorporation, and the laws of the State of Michigan. All 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 Condominium Documents. These Bylaws are designed as and referred to as the “Condominium Bylaws” and relate to the manner in which the Condominium and the common affairs of the Owner of the Condominium Units shall be administered.

Section 2. Membership in the Association. Membership in the Association and voting by Members of the Association shall be in accordance with the following provisions:

- A. Designation of Members. Each Owner must be a member of the Association and no other person or entity shall be entitled to Membership. The Board of Directors may ask for proof of ownership.
- B. Owners Share of the Funds. The share of a Member’s 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. Voting. Unless limited in these Bylaws, each Member shall be entitled to one vote for each Condominium Unit owned. In the case of any unit owned jointly by more than one Owner, the voting rights to that unit may be split if all the joint Owners of the Unit agree in writing and in accordance with Article 1, Section 2 (E).
- D. Evidence of Ownership. No Member/Owner shall be entitled to a vote at any meeting of the Association until he/she has presented evidence of ownership of a Unit in the Condominium Project to the Board of Directors of the Association. The vote by each Member may be cast by the individual representative designated by such Owner in the notice required in Article 1, Section 2 (E). Votes may be placed in person during a meeting, in writing and signed by the Designated Representative, or electronically, or any other method as deemed acceptable by the Board of Directors in accordance with changes over time in communication methods.
- E. Designated Voting Representative. Each Member shall file a written notice with the Association designating the individual representative who shall vote and receive all notices and other communications for the Association. Such notice shall include the name and

mailing address of each Member/Owner, including the members of any corporation, partnership, trust or other entity.

- The name and mailing address of the Designated Representative.
- The designated method, including address/phone, for electronic contact of the Designated Representative
- Preferred contact method for the Designated Representative when notice is required in writing.
- The number(s) of units owned by the Owner/Member.
- Signed by all Owners/Members.
- The Designated Representative may be changed by the Member at any time by filing a new notice. At any meeting the filing of such written notice as a prerequisite of voting may be waived by the Chairman of the meeting.

F. Meetings.

1. Annual Meeting. There shall be an annual meeting of the Members of the Association every April.
2. Other Meetings. Other meetings may take place at any time by a call of the Board of Directors. If deemed in the best interest of the Association, the Board of Directors may call for an electronic meeting.
3. Notice of Meetings. Notice of time, place and subject matter of all meetings shall be given to each Member by mailing to the Designated Representative no less than 10 before the meeting.

G. Quorum. The presence in person and votes submitted in writing by those not in attendance by 35% of the Members qualified to vote shall constitute a quorum for holding a meeting of the Association.

H. Casting of Votes. Votes may be cast in person or by a writing signed by the Designated Representative or electronically by electronic method selected by the Board of Directors. Written and electronic votes must be submitted to the Secretary of the Association at or before the appointed beginning of each meeting of the Members of the Association. Cumulative voting shall not be permitted.

I. Majority. Any action which could be authorized at a meeting of the members shall be authorized by an affirmative vote of more than fifty percent (50%) of the Members by voting in person, in writing or electronically who are qualified to vote as a Designated Representative, unless provided elsewhere in these bylaws, as in Section 2(E)

J. 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 of Members if done by writing or electronically. Ballots shall be solicited in the same manner as provided in the Bylaws for the giving of notice of meetings of Members. Such solicitations shall specify

1. The number of responses needed to meet the quorum requirements.
2. The percentage of approvals necessary to approve the action.
3. The time by which ballots must be received in order to be counted.

Section 3. Books and Records of the Association.

- A. Financial Records. The Association shall keep detailed books of accounts showing all expenditures and receipts of administration which specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and Members/Owners.
- B. Presentment. Accounting and all other records shall be open for inspection by the Members during reasonable working hours. The Association Shall prepare and distribute to each Member at least one (1) time per year **prior to the Annual Meeting**, a statement, the contents of which shall be defined by **the Board of Directors** of the Association.
- C. Record retention. The Association shall maintain on file current copies of the Master Deed for the Condominium Project, any amendments, **the Condominium Bylaws and any amendments**, and all other Condominium documents and shall permit all Members, prospective purchasers and their mortgagees interested in **a Unit** in the Project to inspect the same during reasonable working hours.

Section 4. Board of Directors. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be Members of the Association. If a Member is a partnership or corporation then any partner of the partnership or officer or director of the corporation shall be qualified to serve as director.

A. Composition.

1. Election. The Board of Directors shall be elected annually at the annual meeting.
2. Directors. The number of Directors shall consist of a minimum of 3 members, and a maximum of 5 members, based upon the necessity for the operation of the Association. By a majority of a vote of the Directors at the annual meeting, the Board shall determine the number. Notice must be given to the members of the proposed vote to increase or decrease the number of Directors.
3. Officers. The Board of Directors shall elect at least a President, Secretary and Treasurer. Other officers may be determined by the board as needed. The immediate Past President shall also serve as an ex officio member if not a present board member. Duties of the officers shall be:
 1. President. The President shall be the Chief Executive Officer of the Association. He/she shall preside at all meetings of the Association and the Board of Directors. He/she shall have all of the general powers and duties which are usually vested in the office of President of an association including, but not limited to the power to appoint committees from among the Members from time to time as appropriate to assist in the conduct of the affairs of the Association.
 2. Secretary. The Secretary shall issue all notices for all meetings, keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association. He/she shall keep all books and papers of the Board of Directors and the Association

3. Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He/she shall be responsible for the deposit of all money and payment of all expenses approved for the operation of the Association. The Treasurer shall render an account of all transactions annually to the Members and periodically as required by the Board of Directors. Shall the President not be present at any meeting, and in the absence of a Vice President, the Treasurer shall preside.
 4. Vacancies. A Director may resign by giving written notice to the President of the Association Board of Directors. Vacancies may also occur by death or termination of a Member. Vacancies may be filled by the remaining members of the board so long as there is a minimum number of Directors. Should there be an insufficient number of Directors the vacancy may be filled by appointment as voted on by a majority of the Board of Directors. The replacement Director will serve until the next election of the Board.
 5. Removal. At a meeting of the membership a Director may be removed by a majority vote of the Designated Representatives. The Director who is proposed to be removed shall be given an opportunity to be heard at the meeting. Upon removal a new Director may be elected at the same meeting of the Members for the unexpired term.
- B. 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 that are not prohibited the Bylaws or required to be done by a vote of the Members. In addition to the general powers and duties imposed by these Bylaws, or any further powers and duties which may be imposed by a vote of the Members of the Association, the Board of Directors shall be responsible specifically for the following:
1. Management and Administration. To manage and administer the affairs of, and to maintain the Condominium Project, and the Common Elements as set for the in the Master Deed or elsewhere in the Condominium Documents, and to ensure compliance with the terms and conditions, including recorded easement documents affecting the Condominium Project.
 2. Collecting Assessments. To collect assessments from the Members of the Association and to use the proceeds for the purposes of the Association.
 3. Insurance. To carry insurance and collect and allocate the proceeds in the manner set forth in Article IV of the Bylaws.
 4. Rebuild Improvements. To rebuild improvements after a casualty.
 5. Contract For and Employ Persons. To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.
 6. Real and Personal Property. To acquire, maintain, improve, buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property, including

easements, rights-of-way and licenses, on behalf of the Association in furtherance of any of the purposes of the Association. The purchase, sale, mortgage or lease of any real property (including any Unit in the Condominium) and the granting of any easements or rights-of-way shall be subject to the approval of sixty percent (60%) of all of the Members at a meeting duly called and held for that purpose.

7. Borrow Money. To borrow money and issue evidence 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 the property owned by the Association so long as the action is approved by affirmative vote of sixty percent (60%) of all of the Members of the Association.
 8. Rules and Regulations. To make rules and regulations in furtherance of the intent and administration of these Bylaws.
 9. Committees. 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 **Project** and to delegate to such committees any functions or responsibilities which are not, by law or within the Condominium Documents, required to be performed by the Board.
 10. Mortgage Financing. To make rules and regulations, **subject a majority of the Members approval**, and to enter into agreements with lenders, the purposes of which are to **assist Members** obtain mortgage financing by the Federal Home Loan Mortgage Association, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the Federal Government or the State of Michigan.
 11. Enforce Condominium Documents. To enforce the provisions of the Condominium Documents.
 12. Meetings. The Board of Directors shall have regular meetings, which may be conducted in person or electronically. At the first meeting after the elections during the Annual Meeting the Officers shall be elected by the Directors. Special meetings may also be called by any two Directors and written notice, delivered in person, by mail, or electronically, must be given to all the Directors at least 2 days before the meeting.
- C. Professional Management. The Board of Directors may employ for the Association a professional management agent at a reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including but not limited to the duties listed in Article I Section 4 (A) 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 may the Board enter into any contract for management with a maximum term greater than two (2) years. Any contract for management or other services shall provide that such contract may be terminated by the Board of Directors of the Association with cause at any time upon thirty (30) days notice.

Section 5. Indemnification. Indemnification of Officers, Directors and others authorized to act on behalf of the Association shall be provided for suits or proceeding based upon the acts in good faith, which were believed to be in the best interest of the Association and incurred as part of their duties as an Officer, Director or Agent of the Association, including all reasonable expenses, judgments, fines, amounts paid in settlement and attorneys' fees.

ARTICLE II ASSESSMENTS

Section 1. Taxes and Assessments.

- A. Personal Property. If the Association is assessed a tax on any tangible personal property owned or possessed in common by the Owners the personal property tax shall be considered an expense of administration.
- B. Special Assessments & Property Taxes. Any municipal assessments to the common elements shall be divided equally between the Units. This may be collected as either a one-time special assessment or as part of the monthly dues. The manner in which special assessments shall be collected is governed by Article II, Section 3.

Section 2. Expenses and Receipts of Administration. 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. All sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association securing the interests of the Owners against liabilities or losses arising within, caused by or connected with the common elements or the administration shall be receipts of administration.

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

- A. 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 which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. Failure or delay of the board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay the applicable share of the common expenses; each Unit Owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the monthly payment which is due more than ten (10) days after such new annual budget is adopted. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Owner and the assessment for the year shall be based upon that budget, although absence of proof of delivery of a copy of the budget to each Owner shall not affect the liability of any Owner for any existing or future assessment.

- B. Additional Assessments. At the discretion of the Board of Directors additional assessments may be voted upon if they determine that either:
1. The assessments levied are, or may prove to be, insufficient to pay the ***unexpected*** costs of operation, management, administration, maintenance and/or capital repair of the Condominium
 2. To provide replacements of the existing Common Elements
 3. To provide additions to the Common Elements, not to exceed a cost of 5% of the current year's annual operating budget
 4. In the event of emergencies.

The Board of Directors shall have the authority, provided to them by a vote of the majority vote of the Owners/Members, to increase the general assessment or to levy such additional assessment(s) as it shall deem necessary. The discretionary authority of the Board of Directors to levy assessments pursuant to this section shall rest solely with the Board of Directors for the benefit of the Association and the members, and shall not be enforceable by any creditors of the Association or members.

- C. Special Assessments. Special assessments, in addition to those required or allowed in Section 3(A) & (B) of this article, may be determined necessary by the Board of Directors, so long as approved by a Sixty percent (60%) majority vote of the Owners/Members, to meet other needs or requirements of the Association, including but not limited to:
1. Assessments for capital improvements for additions which cost more than 5% of the current year's operating budget.
 2. Assessments for the lease or purchase of a Unit as a resident manager's unit
 3. Assessments to purchase a Unit upon foreclosure of the lien for assessments described in Article II, Section 6(C).
 4. Assessments for any other appropriate purpose not elsewhere described
 5. Assessments to meet extraordinary expenses incurred as a result of the Board's decision to maintain, repair or replace common elements or Unit exteriors which are the primary responsibility of the Owners.

The authority of the Board of Directors to levy assessments pursuant to this section shall rest for the benefit of the Association and the Members, and shall not be enforceable by any creditors of the Association or members.

- D. Reserve Fund. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget. At a minimum, when fully funded, the reserve fund shall be equal to ten percent (10%) of the Association's current annual operating budget on a non-cumulative basis. If the minimum funding described may prove to be inadequate due to the nature or age of the Condominium Project, the Association may determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. The funds contained in such a reserve fund should be used for major repairs or replacements of Common Elements.

Section 4. Payment of Assessments and Default. All assessments levied against the Owners to cover expenses of administration shall be apportioned among and paid by the Owners in accordance with the percentage of value allocated to each Unit in the Master Deed.

- A. Uncommon Expenses. Subject to the provisions of the Master Deed, any unusual common expenses of administration which benefit less than all of the Condominium Units in the Project may be specially assessed against the Unit(s) so benefited and may be allocated to the benefited Unit(s) in the proportion which the percentage of value of the benefited Unit(s) bears to the total percentages of value of all Units so specifically benefited, subject to the approval of the affected Owners.
- B. Annual Assessments. Annual assessments as determined in accordance with Subsection 3(A) of this article shall be payable by Owners annually or in twelve (12) equal monthly installments, as determined by the Board of Directors of the Association, commencing with acceptance of a deed to, or a land contract purchaser's interest in a Unit or with acquisition of fee simple title to a Unit by any other means.
- C. Default and Late Charges. The payment of an assessment shall be in default if such assessment, or any part, is not paid to the Association in full on or before the due date for such payment.
 - 1. Late Charges. A late charge in the amount of \$15.00 per month, or other amount as may be determined by the Board of Directors, effective upon fifteen (15) days after the due date, shall be assessed automatically by the Association until paid in full. Such a late charge shall not be deemed to be a penalty or interest on the funds due to the Association but is indeed to constitute a reasonable estimate of the administrative costs and other damages incurred by the Association in connection with the late payment of assessments.
 - 2. Liens. Should an Owner become behind in payment of the Assessments for sixty (60) days or more, the Board of Directors may vote to place a lien on the property consisting of the costs of the assessments, late charges, costs and attorney fees. The Owner(s) shall receive notice of the impending lien and allowed 30 days to bring the funds due up to date; should they not, the lien will be placed on their Unit. The lien shall not be removed until payment of all amounts owed are paid in full.
- D. Application of Payments. All payments shall be applied first against late charges, attorney fees, interest and costs and thereafter against assessments in order of oldest delinquency. Assessments in default shall bear interest at the highest rate allowed by law until paid in full.
- E. Liability for Payment. Each Owner, whether one or more persons, shall be, and remain, personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to the Unit which may be levied while such Owner is the owner. In addition to the Owner who is a land contract seller, the land contract purchaser shall be personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to

the subject Unit which are levied up to and including the date upon which the land contract purchaser actually takes possession of the Unit following extinguishment of all rights of the land contact seller in the Unit.

Section 5. Waiver of Use or Abandonment. No Owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit, or because of incomplete repair work, or the failure of the Association to provide service to the Owner and/or the Condominium Project.

Section 6. Enforcement.

- A. Statutory Lien. Sums assessed to an Owner which are unpaid constitute a lien upon the Unit(s) in the Condominium Development at the time of the assessment and has priority before all other liens except those for tax liens and first mortgage recorded on the Unit prior to Association's lien. The lien upon each Unit by the defaulting Owner shall be in the amount assessed against the Unit, plus all costs and attorney fees, and a proportionate share of the total of all other unpaid assessments attributed to the Unit even if the Unit is no longer owned by the Owner but which came due while the Owner had title to the Unit. The lien may be foreclosed by a legal action or by foreclosure by advertisement in the name of the Condominium Project on behalf of the other Owners.
- B. Remedies. The Association may enforce collection of delinquent assessments by a suit at law for monetary judgment or by foreclosure of the statutory lien that secures payment of the assessments described in Section 6(A), or both. Pursuant to Section 139 of Act No. 59 of the Michigan Public Acts of 1978, as amended from time to time, no Owner may assert in their answer, or set off to a complaint, brought by the Association for non-payment of assessments that the Association or its agents have not provided services or management to the Owner.

In the event of default by any Owner in the payment of any installment of the annual assessment levied against the Unit, and/or in the event of default by any Owner in the payment of any installment and/or portion of any special assessment levied against their Unit, or any other obligation of an Owner which, according to these Condominium Bylaws or Master deed,, may be assessed and collected from the responsible Owner in the manner provided in Article II, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year (and any subsequent fiscal year in which the default continues) and/or all unpaid portions or installments of the assessment, if applicable, immediately due and payable.

The Association may also discontinue to furnish any utilities or other services to an Owner in default upon seven (7) days written notice to the Owner of its intention to do so.

An Owner in default shall not be entitled to vote at any meeting of the Association and shall not be entitled to serve as a Director, so long as such default continues; provided that this provision shall not operate to deprive any Owner of ingress or egress to or from their Unit.

In a judicial foreclosure action a receiver may be appointed to collect a reasonable rental for the Unit from the Owner or any persons claiming under him, and if the Unit is not occupied by the Owner, to lease the Unit and collect and apply the rent from as provided by the Act.

- C. Foreclosure of Lien. Each Owner, and every other person who from time to time has any interest in the Condominium Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclosure such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and advertisement, as may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Owner and every other person who from time to time has any interest in the Condominium 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 each sale in accordance with the priorities established by applicable law. Each Owner of 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 foreclosure by advertisement the lien for nonpayment of assessment(s) and a hearing on the same prior to the sale of the subject Unit.
- D. Notice of Action. Neither a judicial foreclosure action nor a suit at law for a monetary 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 Owner at their last known address, of a written notice that one or more installments of the annual assessment or any other assessment, levied against the Unit is 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 statement or, if required by law, an affidavit, of an authorized representative of the Association that sets forth the following:
1. the affiants capacity to send the notice
 2. the statutory and other authority for the lien
 3. the amount outstanding (exclusive of interest, costs, attorney fees and future assessments)
 4. the legal description and address of the subject Unit
 5. the name(s) of the Owner(s) of record

If required by law, an affidavit shall be recorded with the Wayne County Register of Deeds prior to commencement of any foreclosure proceeding, but need not be recorded as of the date of the mailing.

If the delinquency is not cured within the ten (10) day period, the Association may take remedial action as available under the laws of the State of Michigan.

- E. Expense of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney fees (not limited to statutory fees) and advances for taxes or other charges paid by the Association to protect its lien, shall be chargeable to the Owner in default and shall be secured by the lien of the Unit.

Section 7. Liability of Mortgages. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Condominium Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit, and except for claims evidenced by a Notice of Lien recorded prior to the recordation of the first mortgage.

Section 8. Assessment Status Upon Sale of Unit. A purchaser, or their representative, of a Unit is entitled to a written statement from the Association setting forth the amount of unpaid assessments outstanding against the Unit. The purchaser is not liable for any unpaid assessment in excess of the amount set forth in the written statement supplied by the Association, nor shall the Unit be subject to any lien for any amounts in excess of the amount set forth in the provided written statement.

Upon the sale or conveyance of a Unit any unpaid assessment against the Unit shall be paid out of the net proceeds of the sale price to the Association except for amounts due the State of Michigan or any municipality for taxes or special assessments due and unpaid and any payments due under the first mortgage which has priority over the unpaid assessments.

Any purchaser or grantee who fails to request a written statement from the Association at least five (5) days before conveyance shall be liable for any unpaid assessments against the Unit together with interest, costs and attorney fees incurred in connection with the collection of the assessment(s).

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 59 of the Michigan Public Acts of 1978, as amended from time to time, or any section as the Act is amended from time to time.

- A. Unit or Limited Common Elements. A construction lien for work performed on a Unit or on Limited Common Elements may attach only to that Unit upon which the work was performed.
- B. Association. A construction lien for work authorized by the Association may attach to each Unit only to the proportionate extent that the Owner of the Unit is required to contribute to the expenses of administration as provided by the Condominium Documents.
- C. Unauthorized Work. A construction lien may not arise or attach to a Unit for work performed on the Common Elements not contracted for by the Association or the Developer.

ARTICLE III

DISPUTE RESOLUTION

Section 1. Mediation. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputers, claims or grievances arising among or between Owners and the Association that have not been able to be resolved by other means shall be subject to the mediation process before arbitration or the filing of any legal action. The parties to the dispute shall equally select the mediator and share in the costs.

Section 2. Arbitration. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputers, claims or grievances arising among or between Owners and the Association that have not been able to be resolved by mediation may be submitted to arbitration upon the election and written consent of the parties to the dispute, claim or grievance. The parties shall then agree the process will comply with the then current Commercial Arbitration Rules of the American Arbitration Association and the parties agree to accept the arbitrator's decision as final and binding. The parties may be represented by legal counsel during the arbitration hearing. Any agreement to arbitrate shall include an agreement between the parties that they will accept the arbitrator's decision as final and binding and that judgment in the Circuit Court of the State of Michigan may be rendered upon any award rendered pursuant to the arbitration, which shall then preclude the parties from further litigating such dispute, claim or grievance in the courts.

Section 3. Right to Judicial Action. No Owner or the Association shall be precluded from petitioning the courts to resolve any disputes, claims or grievances the parties are unable to resolve through mediation.

Section 4. Approval of Civil Actions. Any civil action proposed by the Board of Directors on behalf of the Association, other than for collection of delinquent assessments, shall be subject to prior approval of a majority of the Owners.

ARTICLE IV INSURANCE

Section 1. Association Coverage. The Association shall, to the extent appropriate in light of the nature of the General Common Elements, carry fire and extended coverage, vandalism and malicious mischief and liability insurance, officers and directors liability insurance, and workmen's compensation insurance, if applicable, and any other insurance the Association may deem applicable, desirable or necessary, pertinent to the ownership, use and maintenance of the General Common Elements of the Condominium, and all such insurance shall be carried and administered in accordance with the following provisions:

- A. Benefit. All such insurance shall be purchased by the Association for the benefit of the Association, the Owners and their mortgagees, and their interests may appear; and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgages of Owners.

B. General Common Element Coverage. All Common Elements of the condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, if applicable and appropriate, in an amount equal to the maximum insurable replacement value, excluding any foundation and excavation costs, as determined annually by the Board of Directors of the Association. The Association shall not be responsible, in any way, for maintaining insurance with respect to Units and Limited Common Elements.

C. Premiums. All premiums for insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

D. Proceeds. 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 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 each 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.

Section 2. Association as Attorney-in-Fact. Each Owner 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 General Common Elements.

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

ARTICLE V RECONSTRUCTION OR REPAIR

Section 1. Determination of Reconstruction or Repair. If any part of the Condominium shall be damaged, the determination of whether or not it shall be reconstructed or repaired and the responsibility for, shall be made in the following manner:

A. Repair or Reconstruction. If the damaged property is a General Common Element, the property shall be rebuilt or repaired unless it is determined by a unanimous vote of all the Owners in the Condominium that the Condominium shall be terminated, and each holder of a first mortgage lien on any unit in the Condominium has given prior written approval of such termination.

- B. Owner Repair or Reconstruction. If the damaged property is a Unit or Limited Common Element or any improvements to, the Owner of such Unit alone, subject to the rights of any mortgagee or other person or entity having an interest in such property shall be responsible for any reconstruction or repair. The Owner shall promptly restore his Unit, Limited Common Elements and improvements to a condition substantially equal to their original condition, in a manner satisfactory to the Association and in accordance with the provisions of Article VI.

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

Section 3. Procedures. Immediately after a casualty causing damage to property for which the Association has the responsibility of repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of the 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 repair or reconstruction, or upon completion of such reconstruction or repair, the funds for payment of such the costs are insufficient, assessments shall be made against all Owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual costs of the repair. The provision shall not be construed to require replacement of the mature trees and vegetation with equivalent trees and vegetation.

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

Section 5. Eminent Domain. Section 133 of the Act (the extent not inconsistent with the following) provisions shall control upon any taking by eminent domain:

- A. Taking of the Unit. In the event of any taking of all or any portion of a Unit or any improvements to the Unit by eminent domain, the award for such taking shall be paid to the Owner of such Unit and the relevant mortgagee(s), as their interests may appear notwithstanding any provision of the Act to the contrary. If an Owner's entire Unit is taken, the Owner and his mortgagee(s) shall, after acceptance of the condemnation award, be divested of all interest in the Condominium Project.
- B. Taking of General Common Elements. If there is any taking of any portion of the General Common Elements, the condemnation proceeds shall be paid to the Owners and the mortgagee(s) in proportion to their respective interests in the Common Elements. The affirmative vote of more than 50% of the Owners shall determine whether to rebuild, repair or replace the portion taken, or to take any other action as they deem appropriate.

- C. Amendment of Master Deed. In the event the Condominium continues after taking by eminent domain, the remaining portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly. If any Unit shall have been taken, then Article VI of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentage of value of the remaining Owners, based upon the continuing value of the Condominium. Such amendment may be affected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval by the Owners.
- D. Notification of Mortgagees. In the event any Unit in the Condominium, or any portion of a Unit, or the Common Elements or any portion, 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 shall promptly notify each holder of a mortgage lien on any of the Units in the Condominium.

Section 6. 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 the rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Units or Common Elements.

ARTICLE VI RESTRICTIONS

Section 1. Use of Units. No Unit in the Condominium shall be used for other than residential purposes and the Common Elements shall be used only for purposes consistent with the use herein stated. No Owner shall carry on any commercial activities anywhere on the premises of the Condominium, except that Owners shall be allowed to have offices in their home, provided the same do not constitute a violation of any ordinances or regulations of the Township of Plymouth, and do not involve additional traffic and congestion within the Condominium, does not disturb other Owners, does not involve additional expense of the Association (such as utility charges and insurance), and does not violate any other provision or restriction contained in the Condominium Documents.

Section 2. Leasing of Units. An Owner may lease his Unit for residential purposes and shall conform to the following provisions:

- A. Disclosure. An Owner desiring to rent or lease a Unit shall disclose the fact in writing to the Association at least twenty one (21) days before leasing the Unit and shall supply the Association with a copy of the exact lease form for its review and compliance with Condominium Documents.
- B. Compliance with Condominium Documents. Tenants or Non-Owner occupants shall comply with all of the conditions of the Condominium Documents and all leases and rental agreements shall so state.

- C. Default by Tenant. If the Association determines that the tenant or Non-Owner has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:
1. Notification. The Association shall notify the Owner by certified mail advising of the alleged violation by the tenant. The Association may also serve notice by first class mail, delivery in person, or electronically, in order to expedite the matter but may require proof of delivery of any of these methods.
 2. Time to Cure. The Owner shall have fifteen (15) days after receipt of notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.
 3. Remedies. If, after fifteen (15) days the Association believes the alleged breach is not cured or has proof that it will be repeated, it may institute on its behalf, or derivatively by the Owners on behalf of the Association, an action for eviction against the tenant or Non-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 Owner liable for any damages caused by the Owner or tenant in connection with the Condominium Unit or Common Elements.
 4. Notice to Pay Rent Directly to Association. When an Owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying an Owner's Condominium Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the 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 tenants.

Section 3. Architectural Approval. The purpose of this section is to assure the continued maintenance of the Condominium Project as a beautiful and harmonious residential development.

- A. Items for Approval. No building, fence, structure, frame, wall, walk, drive, patio or other improvement shall be constructed within a Condominium Unit or elsewhere within the Condominium Project, nor shall any exterior modification be made to any existing buildings, structure or improvement, unless plans and specifications containing such detail, as requested by the Board of Directors, is submitted in writing to the Board of Directors and approved by the Owners/Members.
- B. Standard of Review. The Owners/Members may refuse to approve any such plan as not suitable or desirable, in its opinion, for aesthetic or other reasons, such as the suitability of the improvement or modification, the site upon which it is proposed to be constructed and the degree of harmony with the Condominium development as a whole.

Fences will be allowed to surround the Owner's backyards with a maximum height of four (4) feet. All fencing will be uniform in design; constructed out of aluminum or wrought iron type materials and black in color. Privacy fencing will not be allowed. If the fence will be placed between two residences it must be placed on or inside the property line

of the homeowner erecting the fence. If the fences is being shared by two residences, then it shall be placed on the property line.

- C. Approval Process. All requested architectural changes must be presented to the Board of Directors in writing, with specificity as required by the Board, which may be stated in the rules and regulations. The Board of Directors must disseminate the request to the Designated Representative no more than 3 days after receipt in the approved format, by delivery via either mail, in person, or electronically. The Designated Representative shall respond in no more than seven (7) days after receipt. A fifty (50%) majority of the Owners/Members must approve of the proposal. A denial shall be in writing, delivered to the Owner no less than three (3) days after the voting has been completed. Failure of the Association to approve or deny a request within the thirty (30) day period shall entitle the Owner to undertake the alteration without the approval of the Association.
- D. Municipal Approval. Construction of any new buildings or other improvements must receive any necessary permits and approvals from the Township of Plymouth and must be in accordance with the Cluster Housing Agreement made by the Developer and the Township of Plymouth; this restriction may not be changed or amended in any way without the written consent of the Township of Plymouth.

Section 4. Alterations. Without written approval by the association, no Owner or tenant shall change in any way the exterior appearance of the residence and other improvements and appurtenances located within the Unit which is visible from a Common Element.

- A. Approval of Alterations. No Owner or tenant shall make alterations, modifications or changes in the exterior any of the Units or Common Elements, Limited or General, without the express written approval of a majority of the Owners/Members.
 - 1. Approval Process. All requested alterations must be presented to the Board of Directors in writing, with specificity as required by the Board, which may be stated in the rules and regulations. The Board of Directors must disseminate the request to the Designated Representative no more than 3 days after receipt in the approved format, by delivery via either mail, in person, or electronically. The Designated Representative shall respond in no more than seven (7) days after receipt. A fifty (50%) majority of the Owners/Members must approve of the proposal. A denial shall be in writing, delivered to the Owner no less than three (3) days after the voting has been completed. Failure of the Association to approve or deny a request within the thirty (30) day period shall entitle the Owner to undertake the alteration without the approval of the Association.
 - 2. Items for Approval. Items that must have approval include, without limitation, modify the design, material or color of any such item including windows, doors, screens, roofs, siding or any other component which is visible from a Common Element, the erection of lights, awnings, newspaper holders, mailboxes, freestanding flag poles or other exterior attachments and modifications. The erection of antennas, DBS reception devices and other technologies regulated by the Federal Communications Commission shall be in accordance with duly

promulgated rules and regulations of the Association, which shall not violate FCC regulations.

3. Utility Access. No Owner or tenant shall restrict access to any utility line or other element that must be accessible to service the Common Elements or any elements which affects an Association responsibility.
 4. Maintenance of Alterations. If approved, the Owner shall be responsible for maintenance and repair of any such modification or improvement. In the even the Owner fails to maintain and/or repair the modification or improvement to the satisfaction of the Association, the Association may undertake to maintain and/or repair the modification or improvement and assess the Owner the costs and collect those costs from the Owner in the same manner as provided for the collection of assessments in Article II. The Owner shall indemnify and hold the Association harmless from any and all costs, damages and liabilities incurred in regard to the modification and/or improvement.
- B. Handicapper Alterations. Notwithstanding Section 4 A, an Owner may make improvements or modifications to the Owner's Unit, including Common Elements and the route from the public way to the door of the Owner's Unit, at the Owner's expense, if the purpose of the improvement or modification is to facilitate access to or movement within the Unit for handicappers or to alleviate conditions that could be hazardous to handicappers, subject to the following:
1. Structural Integrity Preserved. 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. Liability of Owner. The 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. Prior Approval. Before an improvement or modification of this subsection is made the 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 Owner, listing the changes needed for the proposed alteration to confirm. Any requests for approval by the Association under this subsection shall be acted upon no later than sixty (60) days after the required plans and specifications are submitted. A denial shall be in writing, delivered to the Owner, listing the reasons for denial. Should the Board of Directors deny a proposed modification or improvement the Owner may appeal, which will require a majority vote of the owners to either affirm the Board of

Directors' decision or further deny the proposed alteration. Failure of the Association to approve or deny a request within the sixty (60) day period shall entitle the Owner to undertake the alteration without the approval of the Association.

4. Maintenance. The Owner shall be responsible for all costs relating to the cost of maintaining the alteration unless the alteration is in the Limited Common Elements or Common Elements and the maintenance can reasonably be included with the regular maintenance performed by, or paid for, by the Association.
5. Notification in the Event of Sale or Lease. An Owner having made an alteration allowed by this subsection shall notify the Association in writing of the Owner's intention to convey any interest in or lease their Condominium Unit to another, not less than thirty (30) days before the effective date of the conveyance or lease. Not more than thirty (30) days after receiving such a notice the Association may require the Owner remove the alteration and restore the premises at the Owner's expense. In the absence of the required notice of the conveyance or lease, the Association may at any time remove or require the Owner to remove the alteration at the Owner's expense. The Association may not remove or require the removal of an alteration if the Owner conveys or leases the Unit to a handicapper who needs the same type of alteration, or to a person whose parent, spouse or child is a handicapper, requiring the same type of alteration and who resides within the Unit.

Section 5. Conduct. No immoral, 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 Owners of the Condominium, nor shall any unreasonably noisy activity be carried out upon the Common Elements or any Unit. No Owner shall do or permit anything to be done or keep or permit to be kept on their 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 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 6. Pets. The Association shall have the right to adopt such additional reasonable rules and regulations with respect to animals as it deems proper and necessary. The Association may charge all Owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the even the Association determines such assessment necessary to defray the maintenance costs to the Association of accommodating animals within the Condominium Project. The Association may assess fines for violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association.

The term "animal" or "pet as used in this section shall not include small domesticated animals which are constantly caged or confined, such as birds or fish. No animals may be kept or bred for commercial purposes. No exotic pets, or dangerous or savage animals shall be allowed anywhere within the Condominium or the Common Elements. 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 run loose upon the Common Elements and any animal shall at all times remain within an Owner's Unit and be attended by some responsible person. Each Owner shall be responsible for the collection and disposition of all fecal matter deposited by any animal maintained by the Owner.

Any Owner who causes any animal to be brought, maintained or kept on the premises of the Condominium of 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. The Association may assess and collect from the responsible Owner for such losses and/or damages in the manner provided in Article II. The Association may, after notice and hearing, without liability to the Owner, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association.

Section 7. Use of Common Elements. No activity shall be carried on nor condition maintained by an Owner either in their Unit or upon the Common Elements which detracts from or spoils the appearance of the Condominium Development. Specifically, the following guidelines shall apply to the Common Elements, Limited and General:

- Common Elements 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.
- Trash receptacles shall be maintained in designated areas at all times and shall not be permitted to remain elsewhere on the Common Elements except for short periods of time for collection of trash.
- Common Elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics.
- No bicycles, chairs, benches or similar items may be left unattended on or about the Common Elements, except allowed by these Bylaws or other adopted rules and regulations.

Section 8. Vehicle Restrictions. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, motorcycles, off-the-road vehicles, all-terrain vehicles or vehicles other than automobiles and non-commercial pick-up trucks and passenger vans used as an occupant's primary means of transportation, may be parked or stored upon the premises of the Condominium, except in closed garages constructed upon Units in accordance with the provisions of these Bylaws. For purposes of this section small passenger vans and pick-up trucks shall not be considered commercial vehicles provided there are no markings or advertising appearing on the vehicle which indicate their commercial nature, and provided they are used as the Owner's primary means of personal transportation. Use and storage of vehicles shall conform to the following provisions:

- A. Parking of Vehicles. All vehicles must be parked in a Unit Owner's garage or on the driveway assigned to that Unit, so as to not obstruct pedestrian traffic or traffic upon Village Manor.
- B. Temporary Presence. The Board of Directors shall have the discretion to issue rules and regulations which provide for the temporary presence of the above enumerated recreational vehicles upon the Condominium premises for the proper purposes, such as loading and unloading of vehicles. Owners expecting guests with recreational vehicles shall notify the Board of Directors in writing; the guest's recreational vehicle shall be allowed on the Condominium premises on a temporary basis not to exceed forty-eight (48) hours, provided the vehicle is parked and stored only in such area as specifically designated by the Board of Directors. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of recreational vehicles or designate an area in the Condominium Project.
- C. Commercial Vehicles. Commercial vehicles and trucks shall not be parked in or about the Condominium, except in the garage, unless it is for the purpose of making deliveries, pickups or providing services in the normal course of business. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of such vehicles or to designate an area for parking.
- D. Standing Vehicles, Repairs. Non-operational vehicles or vehicles with expired license plates shall not be parked on the Condominium premises, other than inside an Owner's garage, without written permission of the Association. Non-emergency maintenance or repair of motor vehicles shall not be permitted on the Condominium premises unless specifically approved by the Board of Directors.
- E. Association Rights. No parking whatsoever shall be allowed in fire lanes. Assigned parking shall be utilized only by the Unit by which the space is assigned. The Association may cause vehicles in violation of this Section, or of any applicable rules and regulations, to be removed (towed) from the Condominium Project and the cost of such removal may be assessed to, and collected from, the Owner of the Unit responsible for the presence of the vehicle as stated in Article II; the 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 Association shall not be liable to any Owner, in any sum for any reason whatsoever, for the removal of a vehicle in accordance with this Section. The Board of Directors may promulgate reasonable rules and regulations governing the parking and use of vehicles in the Condominium Project and may levy fines for violations of such rules and regulations. The Board of Directors shall also have the power and authority to allocate and assign parking space from time to time on an equitable basis.

Section 9. Prohibition of Hazardous Items. No Owner shall use, or permit the use, or permit the use by an occupant, agent employee, invited, guest or member of the family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, slingshots, or other similar dangerous weapons, projectiles or devices or anywhere on or about the Condominium Project.

Section 10. Signs. No signs or other advertising devices shall be displayed which are visible from the exterior of the unit, except for standard sized "for sale" signs, without the written permission from the Association.

Section 11. Rules and Regulations. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Common Elements or the rights and responsibilities of the 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 Owners and shall become effective thirty (30) days after mailing or delivery to the designated voting representative of each Unit. Any regulations or amendments may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all Owners in number and value.

Section 12. Owner Maintenance Responsibilities. Each Owner shall maintain their Unit and any Limited Common Elements appurtenant for which they have maintenance responsibility in a safe, clean and sanitary condition. Each Owner shall also use due care to avoid damaging any of the Common Elements, and each Owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by them, the family, guests, agents or invitees, unless damages or costs 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 Owner shall bear the expense to the extent of the deductible amount. Each individual Owner shall indemnify the Association and all other Owners 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 Owner in the manner provided in Article II. The Owners have the responsibility to report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement.

Section 13. Costs of Enforcing Documents. Any and all costs, damages, expenses and/or attorney fees incurred by the Association in enforcing any of the restrictions set forth in the Bylaws and/or any rules and regulations promulgated by the Board of Directors of the Association and any expenses incurred as a result of the conduct of less than all those entitled to occupy the Condominium Project, or by their licensees or invitees, may be assessed to and collected from the responsible Owner in the manner provided in Article II.

Section 14. Standard of Maintenance. The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Owners and all persons interested in the Condominium.

ARTICLE VII
MORTGAGES

Section 1. Proof of Insurance. If requested by a Mortgagee of any Unit, the Association will provide the Mortgagee with proof of insurance, including the amount of coverage, for the Condominium Common Elements against fire, perils covered by extended coverage, vandalism and malicious mischief. Should a Purchaser, for cash, request such a proof it shall be provided to the Purchaser by the Association.

Section 2. Notification of Mortgagees. The Association may, at the written request of a mortgagee of any Unit, report any unpaid assessments due from the Owner of the Unit. The Association shall give the holder of any mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Owner of the Unit if default is not cured within sixty (60) days.

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

ARTICLE VII
AMENDMENTS

These Bylaws may be amended by the Association in the manner provided in the Master Deed. Any amendment to these Bylaws shall become effective upon election by the Members. A copy of each amendment to the Bylaws shall be made available to every Member of the Association after adoption. These Bylaws may NOT be amended in any manner to eliminate or conflict with any mandatory provision of the Act or any applicable law or any provision of the Master Deed; nor may they be amended to materially reduce or eliminate the rights of any mortgagees without the consent of the mortgagees affected.

ARTICLE IX
COMPLIANCE

The Association of Owners and all present and future Owners, tenants, future tenants or any other person acquiring an interest in or using the facilities of the Condominium Project in any manner are subject to and shall comply with the provisions of the Act, Master Deed, these Bylaws, the Articles of Incorporation of the Association and the Rules and Regulations of the Condominium. In the event the Master Deed, Bylaws or Articles of Incorporation conflict with provisions of the Act, or amendments to the Act, the Act shall govern. If any provision of the Bylaws conflicts with any provision of the Master Deed, the Master Deed shall govern.

ARTICLE X
REMEDIES FOR DEFAULT

Section 1. Default by the Owner. Any default by an Owner shall entitle the Association or another Owner to the following relief:

- A. Remedies for Default. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include but not limited to, an action to recover sums due for damages, injunctive relief, foreclosure of a lien when in default of payment of an assessment, or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Owner(s).
- B. Costs Recoverable From Owner. Failure of an Owner or a non-Owner resident or guest to comply with the Condominium Documents shall entitle the Association to recover from the Owner and non-complying party the costs and attorney fees, including pre-litigation costs and those in any court proceeding; in no event shall any Owner be entitled to recover costs and attorney fees. The Association, if successful, shall also be entitled to recoup the costs and attorneys' fees incurred in defending any claim, counterclaim or other matter arising from an Owner, tenant, guest or invitee asserting a claim, counterclaim or other matter.
- C. Associations Right to Abate. In addition to the rights stated Article X, section 1, in the event of a violation of any of the provisions of the Condominium Documents the Association or its duly authorized agents shall have the right to enter upon the Common Elements, Limited or General, or into any Unit, where reasonably necessary, and summarily remove or abate any thing or condition existing or maintained contrary to the provisions of the Condominium Documents, at the expense of the Owner.
- D. Fines. The violation of any of the provisions of the Condominium Documents, or of the rules and regulations promulgated thereunder, by any Owner, tenant, guest or invitee, shall be grounds for assessment of monetary fines by the Association, acting through its duly constituted Board of Directors. No fines may be assessed unless Rules and Regulations establishing such fines have first been duly adopted by the Board of Directors of the Association and notice given to all Owners in the manner described for notice contained in these Bylaws. Before fines may be assessed the Association must follow the procedures outlined in Article XI, Fines.

Section 2. No Waiver of Rights. The failure of the Association or of any Owner to enforce any right, provision, covenant, or condition which may be granted by the Condominium Document shall not constitute a waiver of the right of the Association or of any Owner to enforce such right, provisions, covenant or condition in the future.

Section 3. Rights Cumulative. All rights, remedies and privileges granted to the Association or any Owner pursuant to any terms, provisions, covenants or conditions stated in the Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies; nor shall it preclude the party thus exercising the same from

exercising such other and additional rights, remedies or privileges as may be available to a party in law or in equity.

ARTICLE XI
FINES

Section 1. General. The violation by any Owner, occupant, tenant, invitee or guest of any of the provisions of the Condominium Documents, including any adopted rules and regulations, shall be grounds for assessment of monetary fines against the Owner by the Board of Directors. An Owner shall be deemed responsible for such violations whether they occur as a result of their personal actions or the actions of family members, guests, invitees, tenants or any other person present in the Condominium Project premises through the invitation or association with the Owner.

Section 2. Procedures. Upon any such violation being alleged by the Board of Directors, the following procedure must be followed:

- A. Notice. 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 reasonable specificity, shall be sent to the Owner at the address on file with the Association by any or all: first class mail, electronically or personally delivered.
- B. Opportunity to Defend. The offending Owner. Shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at least 10 days after receipt of the notice by the Owner, and at its next scheduled meeting or, if no meeting is scheduled, at a meeting scheduled specially for this purpose.
- C. Default. Failure to respond to the notice of violation constitutes a default.
- D. Hearing and Decision. Upon appearance by the Owner before the Board of Directors and presentation of evidence of defense or, should the Owner default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board of Director's decision is final.

Section 3. Fines. Upon a finding of the Board of Directors a violation of the Condominium documents has occurred, or after the default of the Owner, the Board of Directors shall assess an appropriate fine, based upon the promulgated Rules and Regulations. The Board of Directors, without the necessity of an amendment to these Bylaws, may make such changes in the fines, or adopt alternative fines, in accordance with Article VI, Section 10 of these Bylaws.

Section 4. Collection. The fines levied pursuant to Article XI shall be assessed against the Owner and shall be due and payable together with the regular Condominium assessment on the first of the next following month. Failure to pay the fine will subject the Owner to all liabilities set forth in the Condominium Documents.

ARTICLE XII
DEFINITIONS

All terms used in the Bylaws shall have the same meaning as set forth in the Master Deed or as further defined in the Act 59 of the Michigan Public Acts of 1978, as amended from time to time, or attached as an Exhibit to the Bylaws.

ARTICLE XIII
RIGHTS RESERVED TO DEVELOPER

All rights previously reserved by the Developer have been assigned to the Association.

ARTICLE XIV
SEVERABILITY

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