

ARBOR RIDGE CONDOMINIUMS
EXHIBIT A
CONDOMINIUM BYLAWS

ARTICLE I.

ASSOCIATION OF CO-OWNERS

ARBOR RIDGE CONDOMINIUMS, a residential Condominium Project located in the Township of Pittsfield, Washtenaw County, Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, and called the "Association". The Association shall be responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. Only Co-owners shall be entitled to membership in the Association. The interest of a Co-owner in the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit or the Common Elements shall be subject to the provisions and terms set forth in the Condominium Documents. The purpose of these Condominium By-laws is to govern the administration, maintenance, operation, construction, and future use of the Condominium.

ARTICLE II.

ASSESSMENTS

All expenses arising from the management, administration and operation of the Association shall be levied by the Association against the Units and the Co-owners in accordance with the following provisions:

Section 1. **DETERMINATION OF ASSESSMENTS.** Assessments shall be determined in accordance with the following provisions:

a. **Budget.** The Board of Directors of the Association shall establish an annual budget, in advance, for each fiscal year. The 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. An adequate reserve fund for major repair and replacement of Common Elements shall be established in the budget and must be funded by regular monthly payments as set forth in Section 2 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Associations current annual budget on a noncumulative basis. Since the minimum 10% standard required for a reserve fund may prove to be inadequate, the Association should carefully analyze the Condominium Project annually to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. The Association should annually evaluate the anticipated capital expenditures and establish an adequate reserve fund without the necessity of special assessments if at all possible.

Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessments shall be established based upon the budget. The delivery of 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. Should the Board of Directors at any time determine, in its sole discretion, (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation, maintenance and management of the Condominium; or (2) to provide additions to the Common Elements not exceeding Five Thousand Dollars (\$5,000.00) annually for the Condominium Project, or (3) that an event of emergency exists the Board of Directors shall have the authority, without the consent or vote of the Co-owners, to increase the general assessment or to levy such additional assessments as it shall deem necessary.

b. **Special Assessments.** In addition to those assessments described above, special assessments may be made by the Board of Directors, from time to time, to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions or improvements the Common Elements which cost exceeds \$5,000.00 for the entire Condominium Project annually; (2) assessments to purchase a unit or residence upon foreclosure of a lien described in Section 5; or (3) assessments for any other appropriate purpose not elsewhere described. Special assessments referred to in this Subparagraph (c) shall not be levied without the prior approval of more than sixty-six and two-thirds percent (66-2/3%) of all Co-owners in percentage of value.

Section 2. **PAYMENT OF ASSESSMENTS AND PENALTY FOR DEFAULT.** Unless otherwise provided in the Master Deed or in these Bylaws, 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 Master Deed. All assessments, whether general or special, shall be due and payable at such times as the Board of Directors shall determine, commencing with acceptance of a deed, a land contract vendee's interest or by 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, is not paid to the Association in full on or before the due date for such payment. Assessments in default shall bear interest at the highest legal annual interest rate permitted by Michigan law until paid in full.

Unless amended by the Board of Directors, each assessment in default for ten (10) days or more shall bear a late charge of Twenty-Five Dollars (\$25.00). The determination of default shall be as of the date the payment is received by the Association. In addition to the late charge, the Association may, pursuant to Article VII, levy fines for the late payment or an assessment, including the assessment of fines for the chronic or continuing late payment of assessments. Each Co-owner (whether one or more persons) shall be personally liable for the payment of all assessments, including fines, actual costs and attorney fees pertinent to his Unit, while a Co-Owner in the Condominium. Payments on account of assessments in default shall be applied as follows: (1) to costs of collection and enforcement of payment, including reasonable attorneys' fees; (2) to any interest, late charges and fines for late payment on such assessments; and (3) to assessments in default in order of their due dates. All unpaid assessments shall constitute a lien on such Unit from date the assessment becomes due.

Section 3. **MISCELLANEOUS.** All costs incurred by the Association in satisfaction of any liability connected with the Common Elements or any improvements within any Unit for which the Association has maintenance responsibility, or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project. All proceeds of any policy of insurance carried by the Association securing the interest of the Co-owners against liabilities or losses connected with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project.

Section 4. **WAIVER OF USE OR ABANDONMENT OF UNIT.** No Co-owner may exempt himself from liability for his contribution toward the payment of Association assessments by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

Section 5. **ENFORCEMENT.**

a. **Remedies.** The Association may enforce collection of delinquent assessments by a suit for a money judgment or by foreclosure of the statutory lien that secures payment of such assessments. In the event of a default in the payment of any monthly assessment, the Association shall have the right to accelerate and declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any utilities or other services to a Co-owner in default. A Co-owner in default shall not be entitled to vote at any meeting of the Association as long as a default continues. All of these remedies shall be cumulative and not alternative.

b. **Foreclosure Proceedings.** Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as amended from time to time, shall apply to lien foreclosure actions. In an action for foreclosure of an assessment lien, a receiver may be appointed to take possession of the Unit, and if not occupied, to lease the Unit and collect the rents. The Association, acting on behalf of all Co-owners, may bid in at the foreclosure sale and acquire, hold, lease, mortgage or convey the unit. An action to recover a money judgment for unpaid assessments may be maintained without foreclosing or waiving the lien. An action for money damages and foreclosure may be combined in one action.

c. **Notice of Lien.** A foreclosure proceeding may not be commenced without the recording and service of a notice of lien. The notice of lien shall set forth:

(1) The legal description of the Unit or Units to which the lien attaches.

(2) The name of the Co-owner of record;

(3) The amounts due the Association at the date of the notice, exclusive of Interest, costs, attorney's fees and future assessments.

The notice of lien shall be in recordable form, executed by an authorized representative of the Association and may contain other information as the Association may deem appropriate. The notice of lien shall be recorded in the office of the Wayne County Register of Deeds and shall be served upon the delinquent Co-owner by first

class mail, certified return receipt requested, postage prepaid, addressed to the last known address of the Co-owner at least ten (10) days in advance of commencement of the foreclosure proceedings.

d. **Expenses of Collection.** The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' 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 Co-owner in default and shall be secured by the lien on his Unit.

Section 6. **LIABILITY OF MORTGAGEE.** If a mortgagee of a first mortgage of record or other purchaser obtains title to the condominium unit as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for Association assessments chargeable to that unit which became due prior to the acquisition of title to the unit by such person. The unpaid assessments are deemed to be common expenses collectible from all Co-owners including such person, its successors and assigns.

Section 7. **DEVELOPER'S RESPONSIBILITY FOR ASSOCIATION ASSESSMENTS.** The Developer, although a member of the Association, the Developer shall not be responsible, at any time, for payment of the monthly Association assessments, except with respect to completed and occupied Units that it owns. A completed Unit is one with respect to which a Certificate of Occupancy (Temporary or Final) has been issued by the Township of Pittsfield. Developer shall independently pay all direct costs of maintaining completed Units for which it is not required to pay monthly Association assessments and shall not be responsible for any payments whatsoever to the Association in connection with such Units. The Developer shall not be responsible at any time for payment of monthly Condominium assessments or payment of any expenses whatsoever with respect to unbuilt Units notwithstanding the fact that such unbuilt Units may have been included in the Master Deed. However, the Developer shall pay a proportionate share of the Association's current maintenance and administrative (excluding reserves) expenses for insurance, street maintenance, landscaping, lighting, snow removal and the like. The Developer's proportionate share shall be based upon the ratio of all completed units owned by the Developer at the time the expense is incurred to the total number of completed units in the Condominium.

Except for completed and occupied Units owned by the Developer, the Developer shall not be responsible for payment of any assessments for capital improvements, special assessments or

contributions to the reserve fund. In addition, the Developer shall never be liable for any assessment, general or special, to buy any unit from the Developer or to finance any litigation or claims against the Developer.

Section 8. **DELINQUENT ASSESSMENT IF CO-OWNER IS LEASING.** 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 Unit under a lease or rental agreement. After receiving the notice from the Association, the tenant shall deduct from the rental payments due the Co-owner the arrearage and all future assessments as they fall due and pay them to the Association. These deductions from the rental payments shall not constitute a breach of the rental agreement or lease by the tenant.

Section 9. **PERSONAL PROPERTY TAX ASSESSMENT OF ASSOCIATION PROPERTY.** The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners. Any such personal property taxes levied shall be treated as expenses of administration and paid by the Association.

Section 10. **REAL PROPERTY TAXES AND SPECIAL ASSESSMENTS.**

a. Except for the year in which the Condominium Project is established, all real property taxes and special assessments shall be assessed against the individual Condominium Units

b. For the year during which the Master Deed is recorded, there will be a single assessment for the whole project, and the Developer will be responsible for payment of the taxes payable pursuant to that single assessment (the "first year taxes"). However, upon the purchase of a Unit during that year, each purchaser of a unit shall pay to Developer a share of the first year taxes determined as follows:

(1) Each purchaser shall pay that portion of the first year's taxes allocable to the Unit prorated as of the date of purchase on a due date basis.

(2) The amount of the first year's taxes allocable to the Condominium shall be based upon the valuations and allocations made by the Township of Pittsfield Assessor in computing the total real estate tax assessment for the Project.

Section 11. **STATEMENT AS TO UNPAID ASSESSMENTS.** The purchaser of any Unit may request a statement from the Association as to the amount of any unpaid Association assessments, whether

regular or special. Upon written request to the Association, accompanied by a copy of the executed purchase agreement, the Association shall provide a written statement of any unpaid assessments which may exist or a statement that none exist which statement shall be binding upon the Association for the period stated. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied and the purchaser shall not be liable for any assessments greater than the amount set forth by the Association in the written statement. If a purchaser fails to request in writing such a statement at least 5 days before the closing of the purchase of such Unit, any unpaid assessments and the lien securing same shall be fully enforceable against the purchaser and the Unit itself.

ARTICLE III.

ARBITRATION

Section 1. **SCOPE AND ELECTION.** Disputes or claims relating to the interpretation or the application of the Condominium Documents, or any disputes or claims arising among the Co-owners and the Association, upon the election and written consent of the parties, and upon written notice to the Association, shall be submitted to arbitration. The parties shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association, as amended, shall be applicable to any such arbitration proceeding. A judgment may be entered upon such award in a court of competent jurisdiction.

Section 2. **ELECTION OF REMEDIES.** The election and written consent by co-owners and the Association to submit any dispute, claim or grievance to binding arbitration shall preclude such parties from litigating the dispute, claim, or grievance in the courts.

ARTICLE IV.

INSURANCE

Section 1. **ASSOCIATION.**

a. **Scope Of Coverage.** The Association shall carry fire and extended coverage, vandalism and malicious mischief insurance, liability insurance, worker's compensation insurance, if applicable, for all of the General Common Elements in the Project and such other insurance for those areas within the Units which the

Association has responsibility for as set forth in the Master Deed. All insurance shall be purchased by the Association for the benefit of the Association and the Co-Owners and their mortgagees, as their interests may appear. The Association shall provide for, if requested, the issuance of certificates of mortgage endorsements to the mortgagees of Co-owners. The Association shall obtain coverage in an amount equal to the current insurable replacement value of the insured property, as determined annually by the Board of Directors of the Association. The Board shall consult with the insurance agents and representatives for the determination of replacement costs. All coverage shall contain appropriate inflation riders. All information in the Association's records regarding insurance coverage shall be made available to all Co-owners upon request and reasonable notice during normal business hours.

b. **Premium Expenses.** All premiums upon insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

c. **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. The Insurance proceeds received by the Association as a result of any loss requiring repair or reconstruction shall be applied to such repair or reconstruction.

d. **Authority Of Association To Settle Insurance Claims.** Each Co-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 insurance of the Condominium Project including the adjustment and settlement of any losses or claims.

Section 2. **CO-OWNER COVERAGE.** Each co-owner shall obtain fire and extended coverage, vandalism, liability, and malicious mischief insurance for the Condominium residence and all other improvements constructed or to be constructed within the Unit or within the Limited Common Elements appurtenant to the Unit. All such insurance shall be carried by each co-owner in an amount equal to the maximum insurance replacement value, excluding foundation and excavation costs. In addition, each co-owner shall insure the personal property and contents within the Condominium residence and elsewhere within the Unit, and, also obtain coverage for alternative living expense in the event of a fire. Under no

circumstances shall the Association be responsible to obtain any of the insurance coverage described in this Section 2.

Section 3. **WAIVER OF SUBROGATION.** 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.

ARTICLE V.

DESTRUCTION AND EMINENT DOMAIN

Section 1. **DETERMINATION TO RECONSTRUCT OR REPAIR.** If all or any part of the Condominium Premises shall be damaged or destroyed, the determination of whether it shall be reconstructed or repaired shall be made in the following manner:

a. **Partial Damage.** If the damaged property is a Common Element or a residence constructed within a Unit, the property shall be rebuilt or repaired if it is tenantable, unless it is determined by a unanimous vote of all the Co-owners that the Condominium Project shall be terminated.

b. **Total Destruction.** If the Condominium Project is so damaged that no residence is tenantable, the damaged property shall not be rebuilt unless eighty percent (80) or more of the Co-owner in percentage of value and in number agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. **REPAIR OR RECONSTRUCTION.** Any reconstruction or repair shall be substantially in accordance with the Master Deed, the Condominium Subdivision Plan and the Condominium Bylaws and to a condition as comparable as possible to the condition existing prior to the damage unless the Co-owners shall unanimously decide otherwise.

Section 3. **CO-OWNER RESPONSIBILITY FOR REPAIR OR REPLACEMENT.**

a. **Definition Of Co-owner Responsibility.** If there is damage to only a residence or other improvement constructed within a unit or the Limited Common Elements appurtenant to said Unit, which is the responsibility of a Co-owner to repair and replace, it shall be the responsibility of the Co-owner to replace or to repair such damage. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

b. **Damage To Interior And Exterior Of Residence.** Each Co-owner shall be responsible for the replacement, repair, decoration and maintenance of the exterior and interior of the residence or other improvement constructed within their Unit or the Limited Common Elements appurtenant to their Unit. In addition, each co-owner shall be responsible for the replacement, decoration, repair, and maintenance of those areas within the Unit specifically described in the Master Deed. If any portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance, and if there is a mortgage endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association shall promptly so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 4. **ASSOCIATION RESPONSIBILITY FOR REPAIR.** The Association shall be responsible for the replacement, repair, decoration and maintenance of the General Common Elements, and for those areas within the Units specifically set forth in of the Master Deed. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property to a condition as comparable as possible to that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost are insufficient, the Board of Directors shall have the authority without Co-owner consent, to levy assessments against all Co-owners in sufficient amounts, to provide funds to pay the estimated or actual cost of repair or reconstruction.

Section 5. **TIMELY RECONSTRUCTION AND REPAIR.** If the damage to the Common Elements, or to a Unit adversely affects the appearance of the Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance shall proceed, without delay, and shall complete the necessary work within six (6) months after the date of the occurrence which caused damage to the property.

Section 6. **EMINENT DOMAIN.** The Condominium Act and the following provisions shall control any taking by eminent domain.

a. **Taking Of Unit.** In the event of a taking of an entire

Unit or the Limited Common Element appurtenant to such Unit by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee, as their interests may appear. After acceptance of such award by the Co-owner and his mortgagee, they shall be divested of all interest in the Condominium Project. In the event that any condemnation award shall become payable to any Co-owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Co-owner and his mortgagee, as their interests may appear.

b. **Taking Of Common Elements.** If there is a taking of any portion of the Condominium other than any Unit or the Limited Common Elements appurtenant to such Unit, the award for such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements. An affirmative vote of more than fifty percent (50%) of the Co-owners in number and in percentage of value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

c. **Continuation Of Condominium After Taking.** In the event the Condominium Project continues after a taking by eminent domain, the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly.

d. **Notification Of Mortgagees.** In the event any Unit or the Common Elements 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 institutional holder of a first mortgage lien on any of the units in the Condominium.

ARTICLE VI.

ARCHITECTURAL AND BUILDING SPECIFICATIONS AND USE RESTRICTIONS

All improvements made within any Unit, including the construction of a residence and garage, shall comply fully with these Architectural and Building Specifications and Use Restrictions. As set forth more specifically in this Article, before construction of any improvements are made to a Unit, plans and specifications prepared and sealed by a licensed Michigan architect, including grading, site, landscaping and irrigation plans, showing the nature, size, shape, elevations, height, materials, color scheme, and location, shall be submitted to and

approved in writing by the Architectural Control Committee. The Developer intends by these specifications and restrictions, to create and perpetuate a beautiful, serene, private residential condominiums community consistent with the highest standards.

Section 1. **ONLY RESIDENTIAL USE AND MAXIMUM NUMBER OF PERSONS OCCUPYING A RESIDENCE.** No Unit in the Condominium shall be used for other than single-family residence purposes. No business, trade, profession or commercial activity of any kind shall be conducted within any Unit in the Condominium.

Section 2. **LOCATION AND TYPE OF RESIDENCES.** No residence shall be constructed or located on any Unit except as delineated on the Condominium Subdivision Plan and approved by the Architectural Control Committee. No building shall be constructed or permitted to remain on any Unit other than one (1) single-family condominium residence with an attached private garage.

Section 3. **RESIDENTIAL BUILDING SETBACKS.** Except as may be permitted by the appropriate officials of the Township of Pittsfield and the Architectural Control Committee, the front yard, side yard, and rear yard setbacks shall be governed by the Township of Pittsfield ordinances.

Section 4. **MINIMUM UNIT SIZE.** No Unit shall be split or reduced in size by any method whatsoever without the prior written consent of the Architectural Control Committee. Units may be enlarged by consolidation with one (1) or more adjoining Units under one (1) ownership. If one (1) or more Units are developed together as one condominium residence, all of the restrictions in this Article shall apply as though a single Unit were involved without any increase in density.

Section 5. **GRADING AND DRAINAGE.** The grade of any Unit in the Condominium may not be changed from the Grading Plan approved by Township of Pittsfield without the written consent of the Architectural Control Committee and any governmental authority having jurisdiction.

a. **Surface Drainage.** It shall be the responsibility of each Co-owner to maintain the surface drainage grades of his Unit as established by the Developer. Each Co-owner covenants that he will not change the surface grade of his Unit in a manner which will materially increase or decrease the storm water flowing onto or off of his Unit and will not block, pond or obstruct surface water. The Board of Directors of the Association shall enforce this covenant and may enter upon the units in the Condominium to

correct any violation of this covenant and shall charge the cost of the correction to the Co-owner who has violated this covenant.

Section 6. **OUTSIDE EQUIPMENT.** All outside equipment, including air conditioning compressors and pads, shall be placed and located within five (5) feet of the rear of the Condominium residence unless otherwise approved in writing by the Architectural Control Committee.

Section 7. **REMOVAL AND CLEAN UP OF DEBRIS.** All vacant Units must remain free of debris, litter, and trash and be cleaned up regularly.

Section 8. **GARAGE.** No Unit shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. Garbage and trash shall be kept only in sanitary containers and may not be put out for collection any earlier than the evening before the day scheduled for collection.

Section 9. **EXTERIOR LIGHTING.** All exterior lighting, including lamps, posts, and fixtures, for any residence or garage must conform to the general architectural scheme of the project.

Section 10. **TEMPORARY STRUCTURES AND OLD OR USED BUILDINGS.** No temporary occupancy shall be permitted in an unfinished condominium residence. The use of a trailer for materials and supplies to be used in the construction of a residence or other improvement and which shall be removed from the premises upon enclosure of the residence may be allowed. Accessory buildings shall be permitted within a Unit as provided for by the Township of Pittsfield ordinances.

Section 11. **LIVESTOCK AND POULTRY.** No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any unit except that dogs, cats or other animals as household pets may be permitted as provided for in this Article.

Section 12. **FENCES.** Only black chain link fences, at a height of four (4) feet, may be erected along the perimeter of a Unit if in compliance with the Township of Pittsfield ordinances and approved, in writing, by the Architectural Control Committee. No perimeter fences of any kind will be allowed in the front portion of any residence constructed upon a Unit.

Section 13. **POOLS JACUZZIS AND HOT TUBS.** Swimming pools, jacuzzis, and hot tubs may be installed only within a Unit and not within any Limited Common Elements appurtenant to such Unit and only if permitted by the Township of Pittsfield. Any co-owner

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intending to construct any in swimming pool, jacuzzi, or hot tub must submit to the Township of Pittsfield a detailed description and proposed layout showing size, location, materials, shape, landscaping, fencing, screening, and type of construction. The Architectural Control Committee must approve any proposal and may attach any conditions which it deems appropriate. Any approved pools must be maintained by the Co-owners in a safe and clean condition and must also be maintained in appearance consistent with the standards of the Condominium.

Section 14. **LANDSCAPING AND WEED CONTROL.**

a. No co-owner shall perform any landscaping or plant any trees, shrubs, or flowers or place any ornamental materials upon the General Common Elements without the prior written approval of the Architectural Control Committee.

Section 15. **ARCHITECTURAL CONTROL COMMITTEE AND ARCHITECTURAL CONTROL.**

a. Until certificates of occupancy have been issued for condominium residences on one hundred (100%) percent of the units in the Condominium, the Developer shall constitute and be the sole member of the first Architectural Control Committee of the Association. The purpose of this Committee is to assure that the Condominium is developed and maintained in a beautiful and professional manner consistent with high quality and uniform standards. The members of the Committee shall not receive any compensation. Once certificates of occupancy have been issued for every Unit, the Developer shall forthwith resign as members of the Committee to be succeeded by three (3) persons selected by the Board of Directors of the Association. Until certificates of occupancy reach the one hundred (100%) percent level, the Developer may, in its sole discretion, assign all rights, authority, and privileges of membership on the Architectural Control Committee to the Association. Until certificates of occupancy reach the one hundred (100%) percent level, the Architectural Control Committee shall have all of the remedies and enforcement rights contained in these Bylaws.

b. Before constructing or making any exterior improvement, change, or elevation change upon any Unit, a Co-owner shall receive the written approval of the Architectural Control Committee. No application for a building permit or application for any other governmental approval or construction shall be filed until written approval of the Committee is received.

c. The Architectural Control Committee shall have the

absolute right to waive any specifications in these Bylaws and the right to refuse to approve any plans and specifications which are not suitable or desirable in its sole and absolute discretion for aesthetic or any other reasons. In no event shall the Committee have any personal liability for its actions. In considering any plans or specifications, the Committee may take into consideration any of the following: (1) the suitability and aesthetic quality of the proposed building or other structure to be built, (2) the site upon which it is proposed to erect the same, (3) the compatibility of the planned structure with the adjacent or neighboring residences, (4) whether the proposed improvement will impair the structural integrity of a residence or common elements, (5) whether the proposed improvement would create a nuisance or annoyance to surrounding co-owners, and (6) the impact on the overall standards and appearance of the Condominium.

d. The Architectural Control Committee shall have thirty (30) days after the receipt of all required plans and specifications to issue a written approval or denial. If the Committee fails to issue a written approval or denial of the plans and specifications within the thirty (30) day period, then written approval will not be required and this Section shall be deemed to be fully complied with.

Section 16. **ALTERATIONS AND MODIFICATIONS.** No co-owner shall make any alterations in the exterior appearance of his Unit or make changes in any of the General Common Elements without the express written approval of the Architectural Control Committee. No Co-owner shall in any way restrict access to or tamper with any element that must be accessible to service the Common Elements or 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 attachment of any nature that restrict such access and it will have no responsibility for repairing, replacing or reinstalling any materials that are damaged in the course of gaining such access.

Section 17. **ACTIVITIES.** No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, Limited or General. Nothing shall be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall occur on the Common Elements or in any Unit at any time. No Co-owner shall permit anything to be done in his unit or on the Common Elements that will increase the rate of insurance on the Condominium without the written approval of the Association. Each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such

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

Section 18. **AESTHETICS**. The Common Elements, Limited or General, shall not be used for storage of supplies, materials, personal property or trash of any kind, unless authorized by the Association. The storage of any item of personal property shall not violate any building, health, safety or fire code or ordinance, or cause the insurance premiums for the Unit or the Condominium to increase. No unsightly condition shall be maintained in any private courtyard, patio, porch, deck or any other exterior area. Trash receptacles shall be maintained by Co-owners in designated areas and shall not be permitted to remain on the Unit except for such short periods of time as may be reasonably necessary to permit the periodic collection of trash. 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 is detrimental to the appearance of the Condominium.

Section 19. **VEHICLES**. Other than automobiles, no house trailers, vans, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles, may be parked or stored upon the premises of the Condominium, unless parked in the Co-owner's garage or upon the Unit if permitted by City of Westland ordinances. No inoperable vehicles of any type may be brought or stored upon the Condominium Premises, either temporarily or permanently. All vehicles which are parked outside a garage shall be operable, well maintained, and compatible in appearance with other vehicles in the Condominium. Clunkers and junkers are not permitted. No vehicle or automobile of any kind shall be parked outside a garage for more than two (2) consecutive weeks. Co-owners shall, if the Association requires, register with the Association, all vehicles maintained on the Condominium Premises. The Association shall have the right to tow away improperly parked vehicles and may also enable private towing of improperly parked vehicles to off-premises locations, all without any liability on the part of the Association to the Owner or user of any such improperly parked vehicle.

Section 20. **GENERAL MAINTENANCE STANDARDS**. Each Co-owner shall maintain his Unit and any Common Elements for which he has maintenance responsibility in a safe, clean and sanitary condition and in a manner consistent with the overall appearance and standards set forth in this article. Each Co-owner shall also use

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due care to avoid damaging any of the Common Elements including, but not limited to the telephone, water, gas, plumbing, electrical or other utility conduits and systems which may affect any other Unit. Each Co-owner shall be responsible for any damages or costs incurred by the Association or any other Co-owner resulting from negligent damage to or misuse of any of the Common Elements by him, his family, guests, agents or invitees. Any costs or damages owing to the Association may be collected from the responsible Co-owner in the manner provided in these Bylaws for collection of assessments.

Section 21. **SIGNS AND ADVERTISING.** Signs, billboards, or other advertising devices of any kind may be displayed or located on a Unit or on the Common Elements, including "For Sale" signs, in accordance with Township of Pittsfield ordinances. During the Construction and Sales Period approval of any signs or other advertising devices shall be obtained from the Developer. During the Construction and Sales Period, the Developer may permit one sign on the Unit advertising that the Unit, or the Condominium residence and Unit are for sale or lease. Any approved sign shall be constructed and installed in a professional manner. Any approved sign shall be kept clean and in good repair during the period of its maintenance on the Unit.

Section 22. **PETS.** Co-owners may maintain two (2) domesticated pets in accordance with the following restrictions. No animal may be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be attended by some reasonable person while on the Common Elements, Limited or General. No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association of any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the premises, whether or not the Association has given its permission therefore. Each Co-owner shall be responsible for the collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in the Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owner thereof, remove or cause to be removed, any animal from the Condominium which it determines to be in violation of the restrictions imposed by this

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

Section 23. **RULES AND REGULATIONS.** It is intended that the Board of Directors of the Association may, from time to time, make reasonable rules and regulations, without Co-owner approval, to reflect the needs, desires, and problems arising in the Condominium. Copies of all such adopted rules, regulations and amendments shall be furnished to all Co-owners.

Section 24. **RIGHT OF ACCESS OF ASSOCIATION.** The Association or its agents shall have access to each Unit during business hours, upon notice to the Co-owner, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit, any improvements and any Common Elements, upon advance notice, as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. The Association or its agents shall also have access to each unit and any Common Element at all times, upon advance written notice, for the purpose of inspection so as to assure compliance with the terms of the Condominium Documents. It shall be the responsibility of each Co-owner to provide the Association means of access to his Unit and any Common Elements during all periods of absence. In the event of the failure of a Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and it shall not be liable to such Co-owner for any necessary damage to his Unit and any Common Elements caused or for repair or replacement of any doors or windows damaged in gaining such access.

Section 25 **LEASING AND LEASING PROCEDURES.**

a. **Right to Lease.** A Co-owner may lease his Unit provided that written notice of the lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection (b) below. No Co-owner shall lease less than an entire Unit in the Condominium. The terms of all leases, occupancy agreements and occupancy arrangements shall be deemed to incorporate all of the provisions of the Condominium Documents. The Developer may, in its sole discretion, lease any number of Units or residences in the Condominium at any time, without limitation as to the term of occupancy.

b. **Leasing Procedures.** The leasing of Units in the Project shall conform to the following provisions:

(1) A Co-owner, including the Developer, desiring to lease a Unit shall notify the Association in writing at least 10 days before presenting a lease form to a potential lessee of the Unit and, at the same time, shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. If Developer desires to rent Units before the Transitional Control Date as defined in the Master Deed, it shall notify either the Advisory Committee or each Co-owner in writing.

(2) Tenants or Non Co-owner occupants shall comply with the Condominium Documents 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 Condominium Documents, the Association shall take the following action:

i) The Association shall notify the Co-Owner, by certified mail, advising of the alleged violation by the tenant;

ii) 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.

iii) 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, if it is under the control of the Developer, an action for eviction against the tenant or Non Co-owner occupant, and, simultaneously, for money damages in the same action against the Co-owner and tenant or Non Co-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium Project.

Section 26. **NOTIFYING ASSOCIATION PRIOR TO UNIT SALE.**

a. A Co-owner intending to make a sale of his unit shall

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notify the Association in writing at least 21 days before the closing date of the sale and shall furnish the name and address of the intended purchaser and such other information as the Association may reasonably require. The Developer shall not be subject to this Section in the sale of any unit following establishment of the Condominium.

b. The purpose of this Section is to enable the Association to be aware at all times of the identities of all persons owning or occupying a unit in the Condominium Project and to facilitate communication with all such persons regarding the rights, obligations and responsibilities under the Condominium Documents. Under no circumstances shall this provision be utilized by the Association or any person for purposes of discrimination against any owner, occupant or prospective owner on the grounds of race, color, creed, national origin, sex or other basis prohibited by law.

Section 27. **RESERVED RIGHTS OF DEVELOPER.**

a. **Developer's Rights In Furtherance Of Development And Sales.** None of the restrictions contained in this Article shall apply to the commercial activities, signs or billboards, if any, of the Developer during the Construction and Sales Period. Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas, reasonable parking and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by Developer. Developer shall restore the areas so utilized upon termination of use.

ARTICLE VII.

ASSESSMENT OF 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. **PROCEDURES.** Upon any such violation being alleged by the Board, the following procedures will 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 such reasonable specificity as will place the Co-owner on notice as to the violation, shall be personally delivered or sent by first class mail, postage prepaid, to the Co-owner and to any tenant, if applicable.

b. **Opportunity To Defend.** The Co-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 its next scheduled meeting, but in no event shall the Co-owner be required to appear less than ten days from the date of the Notice of Violation set forth in (a) above.

c. **Default.** Failure to appear or respond to the Notice of Violation in writing constitutes a default.

d. **Hearing and Decision.** After a hearing conducted by the Board, the Board shall by majority vote of a quorum of the Board, decide whether a violation has occurred. If the Co-owner fails to appear for the hearing before the Board after proper notice, the Board may proceed to conduct the hearing without the Co-owner. The Board's decision is final.

Section 3. **AMOUNTS.** If the Board decides that the Co-owner has violated the Condominium Documents, the Board in its discretion may levy fines as follows:

a. First Violation. Up to a maximum \$25.00 fine.

b. Second Violation. Up to a maximum \$50.00 fine.

c. Third Violation. Up to a maximum \$75.00 fine.

d. Fourth Violation and Subsequent Violations. Up to maximum \$100.00 fine.

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 of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities, late charges and other remedies, including foreclosure, set forth in the Condominium Documents.

ARTICLE VIII.

REMEDIES FOR DEFAULT

Any default by a Co-owner in complying with the Condominium Documents shall entitle the Association or another Co-owner or Co-owners to the following relief:

Section 1. **LEGAL ACTION.** Failure to comply with any of the provisions of the Condominium Documents shall be grounds for relief, which may include 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 permitted by law, an aggrieved Co-owner or Co-owners.

Section 2. **RECOVERY OF COSTS.** In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover all costs incurred by the Association as a result of the default and the actual attorneys' fees, not limited to statutory fees, incurred by the Association as a result of the default. Costs and attorney fees incurred before initiation of a lawsuit may also be recovered by the Association.

Section 3. **REMOVAL AND ABATEMENT.** The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power.

Section 4. **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 these Bylaws.

Section 5. **NON-WAIVER OF RIGHT.** The failure of the Association or of any Co-owner to enforce any right, provision or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision or condition in the future.

Section 6. **CUMULATIVE RIGHTS REMEDIES AND PRIVILEGES.** All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to the Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an exhaustion of remedies.

Section 7. **ENFORCEMENT OF PROVISIONS OF CONDOMINIUM DOCUMENTS.** A Co-owner may maintain an action against the Association and its officers and directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-owner May maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

ARTICLE IX.

AMENDMENTS

Section 1. **PROPOSAL.** Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by one-third (1/3) or more in number of the Co-owners, in writing and signed by them.

Section 2. **MEETING.** Upon the proposal of any amendments, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws

Section 3. **VOTING.** These Bylaws may be amended by the Co-owners at any regular meeting, annual meeting or special meeting called for such purpose by an affirmative vote of sixty-six and two-thirds percent (66-2/3%) of all Co-owners in number and in percentage of value. No consent of the mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of sixty-six and two-thirds percent (66-2/3%) of the mortgagees shall be required with each mortgagee having one vote for each mortgage held.

Section 4. **BY DEVELOPER.** Prior to the First-Annual Meeting, these Bylaws may be amended by the Developer without approval from any other person so long as any such amendment does not materially alter or change the right of a Co-owner or mortgagee.

Section 5. **WHEN EFFECTIVE.** Any Amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Wayne County Register of Deeds

Section 6. **BINDING.** A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption, provided however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon

all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE X.

MEETINGS

Section 1. **PLACE OF MEETING.** Meetings of the members of the Association shall be held at such place as may be designated by the Board of Directors.

Section 2. **MINUTES, PRESUMPTION OF NOTICE.** Minutes or a similar record of the proceedings of the Association when signed by the President or Secretary, shall be presumed to truthfully evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

Section 3. **ADJOURNMENT.** If any meeting of the Association cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section 4. **SPECIAL MEETINGS.** It shall be the duty of the President to call a special meeting of the Association as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the Co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes. No business shall be transacted at a special meeting except as stated in the notice.

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

Section 6. **FIRST ANNUAL MEETING.** The First Annual Meeting of the Association may be convened by the Developer at anytime after certificates of occupancy have been issued for condominium residences on more than one-half (1/2) of the Units in the Project. The First Annual Meeting shall be called within one hundred
twenty

(120) days after certificates of occupancy have been issued for condominium residences on three quarters (3/4) of all Units in the Project or fifty-four (54) months after the sale of the first Unit in the Project, whichever first occurs. The Developer may call meetings of Co-owners for informative or other appropriate purposes before the First Annual Meeting but no such meeting shall be construed as the First Annual Meeting. The date, time and place of such meeting(s) shall be set by the Board of Directors and at least ten (10) days written notice shall be given to each Co-owner.

Section 7. **ANNUAL MEETINGS.** Annual meetings of the Association shall be held each succeeding year after the year in which the First Annual Meeting is held. The date, time and place of annual meetings shall be determined by the Board of Directors. At all annual meetings the Co-owners shall elect a Board of Directors in accordance with the requirements of these Bylaws. The Association may transact, at annual meetings, such other business of the Association as may properly come before them.

ARTICLE XI.

BOARD OF DIRECTORS

Section 1. **NUMBER AND QUALIFICATION OF DIRECTORS.** Except for the first Board of Directors and unless otherwise decided at the First Annual Meeting, the affairs of the Association shall be governed by a Board of three (3) Directors all of whom must be Co-owners of the Association. Directors shall serve without compensation.

a. **Advisory Committee.** Within one hundred twenty (120) days after certificates of occupancy have been issued for condominium residences on one-third (1/3) of all the Units in the Project or one (1) year after the sale of the first Unit in the Project, whichever first occurs, the Board of Directors shall call a special meeting of the Co-owners for the purpose of electing three (3) persons from among the Co-owners, unaffiliated with the Developer, to serve on an Advisory Committee to the Board of Directors. The Advisory Committee shall meet with the first Board of Directors for the purpose of facilitating communication and aiding in the transition of control of the Board of Directors to the Co-owners. The Advisory Committee shall automatically cease to exist when a majority of the Board of Directors of the Association is elected by the Co-owners unaffiliated with the Developer.

Section 2. **ELECTION OF DIRECTORS.**

a. **First Board of Directors.** The first Board of Directors shall be composed of three (3) persons as selected by the Developer.

b. **Election of Non-Developer Co-owner Directors to Board Before the First Annual Meeting.** Within one hundred twenty (120) days after certificates of occupancy have been issued for condominium residences on one-quarter (1/4) of all the Units in the Project, one (1) Director shall be elected by the Co-owners unaffiliated with the Developer. The Director so elected shall serve until the First Annual Meeting unless removed pursuant to Section 7 of this Article or resignation.

c. **Election of Directors At and After First Annual Meeting.** Within one hundred twenty (120) days after certificates of occupancy have been issued for condominium residences on three quarters (3/4) of all Units in the Project, the Co-owners shall all Directors to the Board, except that the Developer shall have the right to designate at least one (1) Director as long as the Developer owns and offers for sale at least ten percent (10%) of the Units in the Project.

Section 3. **POWERS AND DUTIES.** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by law, by the Condominium Documents, or required to be exercised by the Association.

Section 4. **OTHER DUTIES.** In addition to the duties imposed by these Bylaws and the Condominium Bylaws, the Board of Directors shall be responsible specifically for the following:

a. To manage and administer the affairs of and to maintain the Condominium Project and the Common Elements.

b. To levy and collect assessments from the Co-owners of the Association and to use the proceeds for the purposes of the Association.

c. To carry insurance and collect and allocate the proceeds.

d. To rebuild improvements after casualty.

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

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

g. To borrow money and issue evidences of indebtedness in furtherance of any or 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 an affirmative vote of seventy-five percent (75%) of all the Co-owners in number and in value.

h. To make rules and regulations.

i. To establish such committees as it deems necessary, convenient or desirable and to appoint persons for the purpose of implementing the administration of the Condominium. To delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.

j. To enforce the provisions of the Condominium Documents.

Section 5. **MANAGEMENT AGENT**. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize. In no event shall the Board be authorized to enter into any contract with a professional management agent or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon ninety (90) days written notice to the other party. No management contract shall violate the Condominium Act, as amended.

Section 6. **VACANCIES**. Vacancies on the Board of Directors which occur after the date on which the Board of Directors for the Association takes office pursuant to an election in which the votes which may be cast by eligible Co-owners unaffiliated with the Developer exceed the votes cast by the Developer ("Transitional Control Date") shall be filled by a vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. Vacancies among elected Directors, who are Co-owners unaffiliated

with the Developer, which occur before the Transitional Control Date, may be filled only through an election by such Co-owners.

Section 7. **REMOVAL**. At any regular or special meeting of the Association where timely notice of the removal action proposed to be taken has been given, any one or more of the Directors may be removed, with or without cause, by the affirmative vote of fifty-one percent (51%) in number of all the Co-owners in the Project. A successor director may be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be thirty-five percent (35%) in number of all Co-owners in the Project. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time, or from time to time, in its sole discretion. Likewise, any Director selected by the Co-owners unaffiliated with the Developer to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

Section 8. **FIRST MEETING**. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such time and place as shall be fixed by the Directors at the meeting at which such Directors were elected.

Section 9. **REGULAR MEETINGS**. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, telephone or telegraph at least ten (10) days prior to the date named for such meeting unless waived.

Section 10. **SPECIAL MEETINGS**. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, given personally, by mail, telephone or telegraph, which shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President in like manner and on like notice on the written request of two (2) Directors.

Section 11. **WAIVER OF NOTICE**. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by him. If all the

Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

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

Section 13. **FIRST BOARD OF DIRECTORS.** The actions of the first Board of Directors of the Association or any successors selected or elected before the Transitional Control Date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium Documents.

Section 14. **FIDELITY BONDS.** The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE XII.

OFFICERS

Section 1. **OFFICERS.** The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be members of the Board of Directors. The Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices except the President and Vice President may be held by one person.

a. **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 an Association, including, but not limited to, the power to appoint committees from among the members of the Association to assist in the conduct of the affairs of the Association.

b. **Vice President**. The Vice President shall take the place of the President and perform the duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be determined by the Board of Directors.

c. **Secretary**. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all annual and special meetings of the Association. The Secretary shall have charge of the corporate seal, if any, 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.

d. **Treasurer**. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable property in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors.

Section 2. **ELECTION**. After each annual meeting of the Association, the Board of Directors shall elect Officers at its first organization meeting. Officers shall hold office at the pleasure of the Board.

Section 3. **REMOVAL**. Upon affirmative vote of a majority of the Board of Directors, any Officer may be removed either with or without cause, and a successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The Officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

Section 4. **DUTIES**. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE XIII.

VOTING

Section 1. **VOTE**. Each Co-owner shall be entitled to one vote for each Condominium Unit owned when voting by number and one vote, the value of which shall equal the percentage in value assigned to

the Co-owner's unit when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number.

Section 2. **ELIGIBILITY TO VOTE.** 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 Project to the Association. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 below or by a proxy given by such individual representative. At and after the First Annual Meeting the Developer shall be entitled to vote for each Unit which it owns.

Section 3. **DESIGNATION OF VOTING REPRESENTATIVE.** Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name and address of the individual representative designated the number of the Condominium Units owned by the Co-owner and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice.

Section 4. **QUORUM.** The presence in person or by proxy of thirty-five percent (35%) of the Co-owners in number and in value qualified to vote shall constitute a quorum for holding a meeting of the Association except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or before any duly called meeting who is not present in person or by proxy shall be counted in determining the presence of a quorum with respect to the questions upon which the vote is cast.

Section 5. **VOTING.** Votes may be cast only by the designated voting representative in person or in writing or by proxy. Proxies and any written votes must be filed with the Secretary of the Association. Cumulative voting shall not be permitted.

Section 6. **MAJORITY.** Unless stated otherwise, a majority shall consist of fifty-one percent (51%) in number of those Co-owners qualified to vote and present in person, by proxy or by written vote at a given meeting of the Association.

ARTICLE XIV.**INDEMNIFICATION OF OFFICERS AND DIRECTORS**

Section 1. **INDEMNIFICATION OF OFFICERS AND DIRECTORS.** Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney fees, reasonably incurred by him or her in connection with any proceeding to which he or she may be or have been a Director or Officer, whether or not he or she is a Director or Officer at the time such expenses are incurred. The right to indemnification shall not apply in those cases where the Director or Officer is legally judged guilty of willful and wanton misconduct or gross negligence in the performance of his or her duties. In the event any claim for reimbursement or indemnification is based upon a settlement by the Director or Officer seeking such reimbursement or indemnification, the right to indemnification shall only apply if the Board of Directors (with the Director seeking reimbursement abstaining) approve such settlement and reimbursement as being in the best interest of the Association. The 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 for any indemnification or reimbursement which has been approved, the Board of Directors shall notify all Co-owners of the intent to pay. The Board is authorized to carry Officers and Directors liability insurance covering acts of the Officers and Directors of the Association in such amounts as it shall deem appropriate.

ARTICLE XV.**MORTGAGES**

Section 1. **NOTICE TO ASSOCIATION.** Any Co-owner who mortgages his Unit shall upon request notify the Association of the name and address of the mortgagee. The Association may maintain, in its discretion 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. **INSURANCE**. The Association shall, if requested by the mortgagee, notify each mortgagee appearing in the Book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, vandalism and malicious mischief and the amounts of such coverage.

Section 3. **NOTIFICATION OF MEETINGS**. Upon written 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 Association and to designate a representative to attend such meeting.

ARTICLE XVI.

FINANCE

Section 1. **GENERALLY**. The finances of the Association shall be handled in accordance with the Condominium Documents and the Act.

Section 2. **FISCAL YEAR**. The fiscal year of the Association shall be an annual period commencing on such date as may be determined by the Board of Directors. The fiscal year shall be subject to change by the Board of Directors for accounting reasons or other good cause.

Section 3. **BANK ACCOUNTS**. The funds of the Association shall be deposited in such bank as may be designated by the Directors and shall be withdrawn only upon the check or order of such Officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in insured accounts, deposit certificates or in interest bearing obligations of the U.S. Government.

Section 4. **RECORDS**. The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association 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 once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited

at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. The costs of any such audit and any accounting expenses shall be expenses of administration.