

# HIDDEN RIDGE

## PROPOSED COMBINED AMENDED AND RESTATED CONDOMINIUM AND CORPORATE BYLAWS (EXHIBIT "A" TO THE SECOND AMENDMENT TO AMENDED AND RESTATED MASTER DEED)

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### ARTICLE I ASSOCIATION OF CO-OWNERS

HIDDEN RIDGE, a residential Condominium located in the City of Plymouth, County of Wayne, State of Michigan, shall be administered by an Association of Co-owners which shall be a nonprofit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, and duly adopted rules and regulations of the Association, and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of Act No. 59 of the Michigan Public Acts of 1978, as amended (hereinafter the "Act") and the Bylaws provided for under the Michigan Nonprofit Corporation Act, and these Bylaws are intended to supersede and replace both aforesaid sets of Bylaws. Each Co-owner shall be a member of the Association and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Co-owner's Unit in the Condominium. A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve or other asset of the Association. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Condominium Documents for the Condominium available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium. All Co-owners in the Condominium and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

### ARTICLE II ASSESSMENTS

All expenses arising from the management, administration and operation of the Association in pursuance of its authority and responsibilities as set forth in the Condominium Documents and the Act shall be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

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

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

- (a) Budget. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year which shall project all expenses for the forthcoming year as may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Co-owner's obligation to pay the allocable share of the common expenses as herein provided

each Unit Co-owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of any change in the monthly payment which shall not be due until at least ten (10) days after such new annual or adjusted budget is adopted.

An adequate reserve fund for maintenance, repair and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall equal ten percent (10%) of the Association's current annual budget on a non-cumulative basis. Since the minimum standard required by this Section may prove to be inadequate for this particular Condominium, the Association of Co-owners should carefully analyze the Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. The funds contained in such reserve fund shall be used for major repairs and replacements of Common Elements. The Board of Directors may establish such other reserve funds as it may deem appropriate from time to time.

Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the delivery of a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation, management, maintenance and capital repair of the Condominium; (2) to provide replacements of existing Common Elements; (3) to provide additions to the Common Elements not exceeding Five Thousand Dollars (\$5,000.00), in the aggregate, annually; or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional or special assessment or assessments without Co-owner approval as it shall deem to be necessary. The Board of Directors shall also have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 5 hereof. The discretionary authority of the Board of Directors to levy general, additional or special assessments pursuant to this subsection shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

- (b) Special Assessments. Special assessments, other than those referenced in subsection (a) of this Section 2, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to (and not repair or replacement of) the Common Elements of an aggregate cost exceeding Five Thousand Dollars (\$5,000.00) per year; (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof; (3) assessments to purchase a Unit for use as a resident manager's Unit; or (4) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subsection (b) (but not including those assessments referred to in subsection 2(a) above which may be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty percent (60%) of all Co-owners. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof.

**Section 3. Apportionment of Assessments; Default in Payment.** Unless otherwise provided herein, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in proportion to the percentages of value assigned their respective Units by the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Any unusual expenses of administration, as may be determined in the sole discretion of the Board of Directors, which benefit less than all of the Units in the Condominium may be specially assessed against the Unit or Units so benefitted and may be allocated to the benefitted Unit or Units.

Annual assessments as determined in accordance with Article II, Section 2(a) above (but not additional or special assessments, which shall be payable as the Board of Directors elects) shall be payable by the Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a Deed to, or a land

contract purchaser's interest in, a Unit, or with the acquisition of fee simple title to a Unit by any other means. Monthly installments of the annual assessment are due on the first day of each month. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. A late charge in the amount of Fifteen Dollars (\$15.00) per month, or such other amount as is determined by the Board of Directors, effective upon fifteen (15) days notice to the members of the Association, shall be assessed automatically by the Association upon any assessment in default until paid in full. Such late charge shall not be deemed to be a penalty or interest upon the funds due to the Association but is intended to constitute a reasonable estimate of the administrative costs and other damages incurred by the Association in connection with the late payment of assessments. All payments shall be applied first against late charges, attorney fees, expenses of collection and costs, and thereafter against assessments in order of oldest delinquency.

Each Co-owner (whether one or more persons) shall be and remain personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to the Co-owner's Unit which may be levied while such Co-owner is the owner thereof. In addition to a Co-owner who is also a land contract seller, the land contract purchaser shall be personally liable for the payment of all assessments (including late charges and costs of collection and enforcement of payment) pertinent to the subject Unit which are levied up to and including the date upon which the land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit.

**Section 4. Waiver of Use or Abandonment of Unit; Uncompleted Repair Work.** No Co-owner may exempt himself or herself from liability for contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements, or by the abandonment of the Co-owner's Unit, or because of uncompleted repair work or the failure of the Association to provide services and/or management to the Condominium or Co-owner.

**Section 5. Enforcement.** The Association may enforce collection of delinquent assessments by a suit at law for a money judgment and/or by foreclosure of the statutory lien that secures payment of assessments, in accordance with the Act. Pursuant to Section 139 of the Act, no Co-owner may assert in answer or set-off to a complaint brought by the Association for nonpayment of assessments the fact that the Association or its agents have not provided the services or management to the Co-owner.

Each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner who acquires title to a Unit acknowledges that at the time of acquiring title to the Co-owner's Unit, the Co-owner was notified of the provisions of this Section and that the Co-owner voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit. 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.

Notwithstanding the foregoing, neither a judicial foreclosure action shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his/her or their last known address of a written notice that one or more installments of the annual assessment and/or a portion or all of an additional or a special assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. In the case of a contemplated foreclosure, either judicial or by advertisement, such written notice shall be accompanied by a written Affidavit of an authorized representative of the Association that sets forth: (i) the Affiant's capacity to make the Affidavit; (ii) the statutory and other authority for the lien; (iii) the amount

outstanding (exclusive of costs, attorney fees and future assessments); (iv) the legal description of the subject Unit(s); and (v) the name(s) of the Co-owner(s) of record. Such Affidavit shall be recorded in the office of the Register of Deeds in the County in which the Condominium is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the Co-owner and shall inform the Co-owner that he/she may request a judicial hearing by bringing suit against the Association.

The expenses incurred in collecting unpaid assessments, including expenses of collection, costs, late charges, actual attorney's fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on the Co-owner's Unit. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against the Co-owner's Unit, and/or in the event of default by any Co-owner in the payment of any installment and/or portion of any additional or special assessment levied against the Co-owner's Unit, or any other obligation of a Co-owner which, according to these Bylaws, may be assessed to and collected from the responsible Co-owner in the manner provided in this Article, the Association shall have the right to declare all unpaid installments of the annual assessment for the applicable fiscal year (and for any future fiscal year in which said delinquency continues) and/or all unpaid portions or installments of the additional or special assessment, if applicable, immediately due and payable which shall also be secured by the lien on the Co-owner's Unit. **In the event of the occurrence of a foreclosure sale by the Association, the Co-owner shall be also liable for assessments chargeable to the foreclosed Unit that become due before the expiration of the redemption period.** The Association also may discontinue the furnishing of any utility or other services to a Co-owner in default upon seven (7) days written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements, shall not be entitled to vote at any meeting of the Association or sign any petition for any purpose prescribed by the Condominium Documents or by law, and shall not be entitled to run for election or serve as a director or be appointed or serve as an officer of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from the Co-owner's Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from its Co-owner, or any persons claiming under the Co-owner, as provided by the Act.

Section 6. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Condominium which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale in regard to said first mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit and except for assessments that have priority over the first mortgage under Section 108 of the Act).

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

Section 8. Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

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

Section 10. Statement as to Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any Condominium Unit may request a statement of the Association as to the outstanding amount of any unpaid Association assessments, late charges, fines, costs, and attorney fees thereon, whether annual, additional or special, and related collection costs. Upon written request to the Association, accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire the

Unit, the Association shall provide a written statement of such unpaid assessments, late charges, fines, costs, attorney fees and related collection or other costs as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments together with late charges, fines, costs, and attorney fees incurred in the collection thereof, and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments, collection and late charges, advances made by the Association for taxes or other liens to protect its liens, fines, costs, and attorney fees incurred in the collection thereof constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record having priority. The Association may charge such reasonable amounts for preparation of such a statement as the Association shall, in its discretion, determine.

### **ARTICLE III ARBITRATION**

Section 1. Scope and Election. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners, or between a Co-owner or Co-owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances, and written notice to the Association, if applicable, be submitted to arbitration and the parties thereto shall accept the arbitrators' decision as final and binding; provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration. Any agreement to arbitrate pursuant to the provisions of this Article shall include an agreement between the parties that the judgment of any Circuit Court of the State of Michigan may be rendered upon any award rendered pursuant to such arbitration.

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

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

### **ARTICLE IV INSURANCE**

Section 1. Association Insurance. The Association shall obtain and continuously maintain in effect a standard insurance policy covering "all risks" of direct physical loss which are commonly insured against by condominium associations, including, among other things, fire and extended coverage, vandalism and malicious mischief, host liability, liability (including medical payments) for death, bodily injury, medical payments and property damage and worker's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements. The Association also shall carry: (i) fidelity bond coverage as provided in Article X, Section 16, below; (ii) directors' and officers' liability coverage as provided in Article XIII, Section 2, below; and (iii) such other insurance, if any, as the Board of Directors from time to time deems advisable. The Co-owners are advised that the Association's coverage is not intended to be comprehensive as to all risks and portions of the Condominium Premises, including, without limitation, the Units and those Limited Common Elements the Co-owners are responsible to maintain, repair or replace, and, consequently, that each Co-owner has the obligation to obtain and continuously maintain in effect additional

coverages, as outlined in Section 2 of this Article. All insurance policies purchased by the Association shall be carried and administered in accordance with the following provisions:

- (a) In General. The Association shall purchase all such insurance for the benefit of the Association, Co-owners and mortgagees, as their interests appear, and provision shall be made for the issuance of certificates of endorsement to the mortgagees of Units. Each such insurance policy shall, insofar as applicable, provide that:
- (i) each Co-owner (and the Co-owners, collectively, as a group) is an insured person under the policy with respect to liability arising out of his interest in the Common Elements or membership in the Association;
  - (ii) the insurer waives its right to subrogation under the policy against any Co-owner and any member of his household residing in the Unit;
  - (iii) no act or omission of any Co-owner, unless within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy;
  - (iv) if, at the time of loss under the policy, there exists in the name of a Co-owner other insurance covering the same risk as is covered by the policy, the Association's policy shall be deemed primary insurance to the extent, only, so provided in Section 3 of this Article IV; and
  - (v) insurance proceeds shall be disbursed, first, for repairs or restoration of the damaged property, unless and except as the:
    - (A) Condominium is terminated;
    - (B) Co-owners and mortgagees vote not to re-build or repair in accordance with Article V, Section 1 of these Bylaws; or
    - (C) repair or replacement would be illegal under any state or local health or safety statute or ordinance.
- (b) Casualty Insurance. All Common Elements the Association is responsible to repair and replace, and all standard features of the Units, shall be insured against fire and the other perils covered by a standard extended coverage endorsement, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, and shall be subject to such deductible amounts as the Board of Directors, in consultation with the Association's insurance carrier and/or its representatives, annually determines to be prudent in light of prevailing insurance market conditions and commonly employed methods for the reasonable determination of replacement costs. At the election of the Board, such coverage also may include: (i) "additions and betterments," as defined in Section 2(c) below; and/or (ii) Unit interior walls, floors and ceilings, but only to the extent that such interior walls, floors and ceilings: (A) are structural, load-bearing or otherwise necessary to the support of the building in which the Unit is contained; or (B) contain General Common Element pipes, wires, conduits and/or ducts. All coverages shall:
- (i) be effected upon an agreed amount basis for the entire Condominium, with appropriate inflation riders in order that no co insurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total Condominium destruction, if the insurance proceeds failed, for some reason, to be equal to the total cost of replacement); and,
  - (ii) include endorsement(s) for any Association additional costs incurred to:
    - (A) upgrade a damaged Common Element structure in compliance with then-applicable building codes; and
    - (B) if determined by the Association's legal advisor to be required by any law or ordinance applicable at the time of insurance policy purchase or renewal, demolish and re-construct any partially-damaged Common Element structure, the undamaged portion of which is required by such law or ordinance to be demolished.

Whenever used in these Bylaws, the "standard features" of any Unit means and includes: (i) all of the structural and attendant and related building materials which are required to establish a structure for the Unit at the points and surfaces where it begins, including, without limitation, the foundations; basement floor, if any; basement walls, if any; drywall; joists and other structural elements between floors; and the ceiling of the uppermost floor; (ii) all fixtures, equipment and decorative trim items which were included as standard features within the Unit, or were installed within the interior surface of any main wall, at the time of the Unit's initial retail sale and occupancy as a dwelling, as evidenced by any plans and specifications filed by the Developer with the municipality and/or by such other or additional reliable physical or written evidence thereof as may exist, such items to include, as

applicable, without limitation, bathroom and kitchen fixtures; counter tops; built-in cabinets; finished carpentry; electrical and plumbing conduits; tile; lighting fixtures; and interior doors, door jams and associated hardware, but specifically to exclude all appliances, electrical fixtures, water heaters, heating and air conditioning equipment, wall coverings, window treatments and floor coverings; and (iii) such additional, different or upgraded materials, if any, as the Board from time to time declares, by regulation or resolution, to be "standard features" of all Units that are of the same model style and type. Should the Board fail to publish such specifications, the "standard features" of each Unit shall be determined by reference to provisions (i) and (ii) above, only, and the original installations, allowing, however, for reasonable changes in components and methods of construction, assembly and finish with the passage of time. Unless otherwise specified by the Board in accordance with (iii) above, the "standard features" of a Unit does not include items installed in a Unit in addition to or, to the extent, if any, that it would cause the replacement cost to exceed in real dollars the cost of the standard feature of the Unit, as an upgrade of or replacement for a standard feature, regardless whether any such addition, upgrade or replacement was installed by the Developer or by a subsequent Co-owner of the Unit.

- (c) Optional Umbrella Insurance. The Association may purchase as an expense of administration an umbrella insurance policy which covers any risk required hereunder which was not covered due to lapse or failure to procure.
- (d) Insurance Records. All non-sensitive and non-confidential information in the Association's records regarding Common Element insurance coverage shall be made available to all Co-owners and mortgagees upon request and reasonable notice during normal business hours so that they may judge the adequacy of coverage and, upon the taking of due Association procedures, direct the Board at a properly constituted meeting to change the nature and extent of any applicable coverages, if so determined. Upon such annual re evaluation and effectuation of coverage, the Association shall notify all Co-owners of the nature and extent of all changes in coverages.
- (e) Association Premium Expenses. All premiums on insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.
- (f) Proceeds of Association Insurance. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and applied or distributed to the Association, or to the Co-owners and their mortgagees, as their interests appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V, Section 1 of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss which requires repair or reconstruction shall be applied for such repair or reconstruction, and in no event shall hazard insurance proceeds be used for any other purpose unless not less than sixty-six and two-thirds percent (66-2/3%), if one or more Units are tenantable, or fifty-one percent (51%), if no Unit is tenantable, of the institutional holders of first mortgages on Units have given their prior written approval.

Section 2. Co-owner Insurance. Each Co-owner shall obtain and continuously maintain in effect the insurance coverages described in sub-Section 2(a) for his Unit and, to the extent described in that sub-Section, all Limited Common Elements that are appurtenant or assigned to his Unit. It shall be each Co-owner's responsibility to determine by personal investigation, or by consultation with his own insurance advisor, whether the insurance coverages required by sub-Section 2(a) will be adequate in type and amount to recompense him for all of his foreseeable losses and liability risks for the property required by the preceding sentence to be insured, or whether coverage of an additional type or amount is appropriate or desirable. In particular, each Co-owner should consider the purchase of optional coverages for "additions and betterments", as described in sub-Section 2(c) below, and for alternative living expense in the event of fire and/or other covered casualty which renders the Unit uninhabitable. The Association shall have absolutely no responsibility for obtaining any such coverages unless agreed specifically and separately between the Association and the Co-owner in writing; provided, that any such agreement between the Association and a Co-owner shall provide that any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-owner and collected as part of the assessments against said Co-owner under Article II above.

- (a) Mandatory Coverage. Each Co-owner shall obtain and continuously maintain in effect at his own expense liability and property casualty insurance coverage (generally in the form of an "HO-6" or "HO-4" insurance policy, as applicable, or such other specifications as the Board of Directors may prescribe, or as may be commonly extant from time to time), which affords coverage against "all-risks" of loss due to:
- (i) casualty to:
    - (A) the Co-owner's personal property while located anywhere in the Condominium; and,
    - (B) the "standard features" of his Unit, as defined in Section 1(b) above; and,
    - (C) any Limited Common Element appurtenant or assigned to the Unit;
 and also
  - (ii) liability for injury to property and persons occurring in his Unit or in or upon any Limited Common Element appurtenant or assigned to the Unit.
- Co-owners shall request that all such coverages contain a clause in which the insurer agrees to mail to the Association notice of cancellation not less than thirty (30) days prior to any policy cancellation, although it shall not be a default by the Co-owner if the insurer refuses to do so. A "loss assessment" endorsement clause that provides coverage for the Co-owner's share, if any, of property damage or liability loss for which the applicable Association insurance policy affords no coverage, or inadequate coverage, shall be included. All coverages shall be in amounts prescribed from time to time by the Board, based upon advice provided by the Board's insurance advisor concerning changes in actual replacement costs, but in no event shall coverage for the standard features of the Unit be less than their current insurable replacement value, nor shall liability coverage on a "per occurrence" basis be in an amount which is less than Three Hundred Thousand Dollars (\$300,000.00) for injury to persons.
- (b) Co-owner Duty to Provide Evidence of Mandatory Coverage; Association Remedy upon Default. Each Co-owner shall file a copy of such insurance policy, or policies, including all endorsements thereon, or, in the Association's discretion, certificates of insurance or other satisfactory evidence of insurance, with the Association in order that the Association may be assured that such insurance coverage is in effect. In the event that the Co-owner shall fail to do so, in addition to any other remedy which it may have under these Bylaws, the Association may, but shall not be under any obligation to, purchase such insurance coverage in respect of the Unit and its appurtenant Limited Common Elements upon the Co-owner's failure to deliver such evidence of insurance coverage to the Association within thirty (30) days after the Association provides written notice to the Co-owner of its intention to do so. The premium cost incurred by the Association to purchase Co-owner mandatory insurance coverage upon a Unit may be assessed to and collected from the responsible Co-owner in the manner provided in Article II above.
- (c) Optional Co-owner "Additions and Betterments" and "Loss Assessment" Coverage. Each Co-owner should consider whether to obtain and maintain "additions and betterments" insurance coverage for his Unit. Whenever used in these Bylaws, "additions and betterments" means and includes all fixtures, equipment, decorative trim and furnishings located within the Unit, or within any Limited Common Element appurtenant or assigned to the Unit, that is not a "standard feature" of the Unit.

Section 3. Determination of Primary Carrier; Subrogation. In all circumstances in which there exist overlapping coverages under policies of insurance carried by a Co-owner and the Association in accordance with this Article, the provisions of this Section 3 shall determine the carrier and policy that bears the primary responsibility to adjust and pay an insured loss. In the event of property damage to a General Common Element, or to a Limited Common Element that the Association is responsible to repair and replace, the Association's carrier and policy shall be deemed primary. In the event of personal injury or any other liability claim for an occurrence in or upon the General Common Elements, or in or upon a Limited Common Element that the Association is responsible to maintain, repair or replace, the Association's carrier and policy shall be deemed primary if the loss resulted from the Association's non-performance or improper performance of any such responsibility. The carrier and policy of the Co-owner of the Unit shall be primarily responsible for all property damage to, and any personal injury or other liability claim for any occurrence in or upon, a Unit and/or its contents, including, without limitation, the "standard features" and "additions and betterments" of the Unit. The carrier and policy of a Co-owner who is responsible to repair or replace any Limited Common Element shall be primarily responsible for all property damage to the Limited Common Element. The carrier and policy of a Co-owner who is responsible to maintain any Limited Common Element shall be primarily responsible



for any personal injury or other liability claim for an occurrence in or upon the Limited Common Element, except to the extent that the Association is responsible for its repair and replacement and the Association's non-performance or improper performance of that responsibility was the cause of such injury or other liability. In all cases where the Association's carrier and policy are not primarily responsible to adjust the loss, if the Association's carrier and policy contribute to the payment of the loss, the Association's liability to the Co-owner shall be limited to the amount of insurance proceeds paid, and the Association shall in no event be responsible to pay any deductible amount under either the Association's or the Co-owner's policy. Both the Association and the Co-owners, as to policies they obtain, shall use their best efforts to see that all property casualty and liability insurance carried contains appropriate provisions whereby the insurer waives its right of subrogation as to any claims against the other party.

Section 4. Authority of Association to Settle Insurance Claims. Each Co-owner, by his ownership of an Unit, shall be deemed to appoint the Association as the Co-owner's 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 and workers' compensation insurance, if applicable, pertinent to the Condominium, the Co-owner's Unit and the Common Elements, with such insurer as may, from time to time, provide such insurance for the Condominium. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to: purchase and maintain such insurance; collect and remit premiums; collect proceeds; and distribute proceeds to the Association, the Co-owners and their respective mortgagees, as their interests may appear (subject always to the Condominium Documents); execute releases of liability; and, execute all documents and to do all things on behalf of such Co-owners and the Condominium as are necessary or convenient to the accomplishment of the foregoing.

## **ARTICLE V**

### **RECONSTRUCTION OR REPAIR**

Section 1. Responsibility to Repair or Replace. This Article shall determine whether a portion of the Condominium Premises which is damaged or deteriorates as the result of a casualty or other insurable event shall be repaired or replaced, and, if so, assigns the responsibility for such repair or replacement and for the costs thereof. Except in the case of Co-owner responsibility pursuant to Article II, above, or Article VI, Section 15, below, the allocation of repair and replacement responsibilities contained in the Master Deed shall determine the allocation of responsibility for the costs of maintenance, repair or replacement of any portion of the Condominium Premises except in the case of casualty or other insurable event.

If any part of the Condominium Premises is damaged or deteriorated, the damaged or deteriorated property shall be rebuilt or repaired unless not less than eighty percent (80%) in number and in value of the Co-owners entitled to vote as of the record date for said vote determine that the Condominium shall be terminated, and not less than sixty-six and two-thirds percent (66-2/3%) of the institutional holders of a first mortgage lien on any Unit on that date have given their prior written approval to such termination.

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

Section 3. Co-owner and Association Responsibilities to Make Repair. If damage or deterioration is only to an Unit, the Co-owner of that Unit shall make the repair or replace the item in accordance with Section 4 of this Article, and the Co-owner shall bear the uninsured or under-insured costs thereof; provided, that the Board of Directors may, but shall not be required to, assume the responsibility to repair damage to, or to replace portions of, Unit interior walls, ceilings and floors which are structural, load-bearing or otherwise necessary to the support of the building in which the Unit is contained, or in which there exist General Common Element pipes, wires, conduits and/or ducts.

In all other cases, the Association shall make the repair or reconstruct the item. Immediately after a casualty causing damage to property the Association is responsible to maintain, repair or replace, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that

existing before the damage. If the proceeds of insurance are insufficient to defray the estimated costs of Association repair or replacement, or if at any time during such repair or replacement, or upon completion of such repair or replacement, the funds for the payment of such costs are insufficient, assessments shall be made and may be collected in accordance with Article II, above, against the Co-owners who are responsible for the costs of repair or replacement in sufficient amounts to provide funds to pay the estimated or actual costs of repair.

Section 4. Co-owner Responsibility for Costs of Repair. Except as the Association is responsible to bear the costs to repair any "incidental damage", as described in Section 5, below, or another Co-owner is responsible for any uninsured or under-insured costs (including any deductible amount, unless waived) pursuant to Section 8, below, regardless of the cause or nature of any such damage or deterioration, including, but not limited to, instances in which the damage or deterioration is incidental to or caused by: (i) a Common Element which the Association is responsible to maintain, repair and/or replace; (ii) the maintenance, repair or replacement of any such Common Element; (iii) the Co-owner's own actions, or any failure of the Co-owner to take appropriate preventive action; or (iv) the malfunction of any appliance, equipment or fixture located within or serving the Unit, the Co-owner of the Unit shall be responsible for the Co-owner's uninsured and under-insured costs (including amount within any insurance deductible) to repair or replace any damage or deterioration to his own Unit, or to a Limited Common Element for the repair or replacement of which the Co-owner is responsible, and, except insofar as another Co-owner is in whole or in part responsible for the costs of such repair or replacement, the Co-owner shall bear all of the costs incurred to do so. The Co-owner's responsibility pursuant to the preceding sentence shall include, but not be limited to: interior walls (including walls which are structural, load-bearing or otherwise necessary to the support of the building in which the Unit is contained, or which contain General Common Element pipes, wires, conduits and/or ducts, if the Board of Directors has elected to assume the responsibility for their repair as provided in Section 3, above); sanitary (toilet) installations; interior doors; exterior doors, windows, door walls, storm doors and storm windows, screens and their associated hardware, but only to the extent the Co-owner is responsible for their repair or replacement; all appliances, equipment and accessories, whether free-standing or built-in, and their supporting hardware/equipment, including water faucets, water tanks, fixtures, furnaces, gas fireplace equipment, chimney flue, computers, monitors, printers, air conditioners, compressors and pads, water heaters, exhaust fans, sinks, refrigerators, ovens, cooktops, dishwashers and garbage disposals; all floor coverings, wall coverings, window shades, draperies, cabinets, interior trim, telephones, furniture, lamps, light fixtures, switches, outlets and circuit breakers; all "additions and betterments," as defined in Article IV above; and all personal property. If any such damage or deterioration is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner (or, if there is a mortgagee endorsement, the Co-owner and mortgagee jointly) shall be entitled to receive the proceeds of insurance relative thereto, to be used solely for the necessary repairs, but only in the absence, or after exhausting the proceeds, of any Co-owner insurance that is primary coverage under Article IV, Section 3, above. If proceeds of insurance carried by the Association are paid to the Co-owner, or to the Co-owner and mortgagee jointly, as provided in the last sentence, the Co-owner shall begin reconstruction or repair of the damage upon receipt of the insurance proceeds.

Section 5. Association Responsibility for Costs of Repair. Subject to Section 8, below, and to any contrary provision of Article IV of the Master Deed, the Association shall bear the costs to repair or reconstruct any damaged or deteriorated Common Element. The Association also shall be responsible for any incidental damage (as that term is hereinafter defined) to an Unit that is caused by any non-performance or improper performance of the Association's responsibility to maintain, repair or replace any Common Element, but the responsibility of the Association for "incidental damage" shall not exceed the sum of \$1,000.00 per occurrence. "Incidental damage" shall be defined as damage incurred to the improvements and contents of an Unit. Any "incidental damage" to an Unit in excess of \$1,000.00 shall be borne by the Co-owner of the Unit, except that the Association shall have the option, in the sole discretion of the Board of Directors, to reimburse the Co-owner for all or any portion of the incidental damage in excess of \$1,000.00, regardless of whether the Association has insurance therefor. In the event the Co-owner has insurance which covers such "incidental damage" to his Unit, the Association shall not be liable for any "incidental damage" and the insurance carrier of the Co-owner shall have no right of subrogation against the Association.

Section 6. Timely Reconstruction and Repair. If damage to Common Elements or to an Unit adversely affects the operation or appearance of the Condominium, or may cause damage to or adversely affect the

Common Elements or another Unit therein, the Association or Co-owner responsible to make the repair or replacement shall commence to do so without delay and shall complete the repair or replacement within six (6) months after the date of the occurrence.

Section 7. Indemnification. Each Co-owner shall indemnify and hold harmless the Association and every other Co-owner for all damages and costs, including, without limitation, actual attorneys fees (not limited to reasonable attorneys fees), which the Association or such other Co-owner(s) suffer as the result of defending any claim arising out of an occurrence on or within such Co-owner's Unit or a Limited Common Element which the Co-owner is responsible to maintain, repair and replace, and, if so required by the Association, shall carry insurance to secure this indemnity. This Section 7 shall not be construed to afford any insurer any subrogation right or other claim or right against a Co-owner.

Section 8. Responsibility for Amounts Within Insurance Deductible or Which Are Otherwise Uninsured. Notwithstanding any other provision of the Condominium Documents, the responsibility for damage to any portion of the Condominium Premises which is within the limits of any applicable insurance deductible, unless waived, and for any other uninsured amount, except to the extent that a lack of insurance results from a breach of the Association's or another Co-owner's duty to insure, shall be borne by the responsible Co-owner whenever the damage is the result of any failure to observe or perform any requirement of the Condominium Documents, or any negligent or intentional action or omission, by, including, without limitation, the Co-owner, the Co-owner's land contract purchaser or tenant, or the family, servants, employees, agents, visitors or licensees of the Co-owner, land contract purchaser or tenant. For example, and not in limitation of the generality of the foregoing, uninsured damage to the Condominium Premises which results from cigarette smoking within a Co-owner's Unit, or from a Co-owner's failure to maintain the furnace or a plumbing fixture serving his Unit in good working order or repair, generally will be the responsibility of that Co-owner.

Section 9. Eminent Domain. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

- (a) Taking of Entire Unit. In the event of the taking of an entire Unit by eminent domain, the award for such taking shall be paid to the Co-owner and mortgagee of such Unit, as their interests appear. After acceptance of the award by the Co-owner and mortgagee, they shall be divested of all interest in the Condominium. If 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 mortgagees, as their interests appear.
- (b) Taking of Less than Entire Unit. If the taking of a portion of a Unit makes it impractical to rebuild the partially taken Unit to make it habitable, then the entire undivided interest in the Common Elements appertaining to that Unit shall thenceforth appertain to the remaining Units, and shall be allocated to them in proportion to their respective undivided interests in the Common Elements. The remaining portion of that Unit shall thenceforth be a Common Element.
- (c) Taking of Common Elements. If there is any taking of any portion of the Condominium other than a Unit, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements, and the affirmative vote of more than fifty percent (50%) in number and in value of all Co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.
- (d) Continuation of Condominium After Taking. In the event the Condominium continues after taking by eminent domain, then the remaining portion of the Condominium shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed also shall be amended to the extent necessary to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of one hundred percent (100%). Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner, but only with the prior written approval of all holders of first mortgage liens on individual Units.

- (e) Notification of Mortgagees. In the event any Unit, or any portion thereof, or the Common Elements, or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage lien on any Unit.

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

Section 11. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Unit Co-owner, or any other party, priority over the rights of a first mortgagee pursuant to its mortgage in the case of a distribution to Unit Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

## **ARTICLE VI RESTRICTIONS**

Section 1. Residential Use. No Unit shall be used for other than residential purposes, and the Common Elements shall only be used for purposes consistent with those set forth in this Section 1. Timesharing and/or interval ownership is prohibited. No residential Unit shall be used for a commercial or business enterprise; provided, however, that this shall not be deemed to ban a Co-owner from operating a home-based business which does not have any on-site employees other than Unit residents, does not produce odors, noises, or other effects noticeable outside of the Unit, and does not involve the manufacture of goods or sale of goods from inventory. The Association may also provide a Unit or a Common Element to be used by a janitor, or resident manager, as the case may be. The provisions of this Section shall not be construed to prohibit a Co-owner from maintaining a personal professional library, keeping personal, professional or business records or handling personal business or professional telephone calls in that Co-owner's Unit.

Section 2. Leasing and Rental.

- (a) Right to Lease. A Co-owner may lease his Unit for the same purposes set forth in Section 1 of this Article VI, provided that written approval (which approval shall not be unreasonably withheld) of such lease transaction is obtained from the Board of Directors of the Association in the manner provided herein. Notwithstanding anything herein to the contrary, a Unit may not be leased if such lease would violate subsection (b) below. A Co-owner's request for written approval of such lease transaction shall be submitted to the Board of Directors in the manner specified in subsection (b) below. No Co-owner shall lease less than an entire Unit and no tenant shall be permitted to occupy except under a written lease, the initial term of which is twelve (12) months, unless specifically approved in writing by the Association. Such written lease shall: (i) require the lessee to comply with the Condominium Documents and rules and regulations of the Association; (ii) provide that failure to comply with the Condominium Documents and rules and regulations constitutes a default under the lease; and (iii) provide that the Board of Directors has the power to terminate the lease or to institute an action to evict the tenant and for money damages after fifteen (15) days' prior written notice to the Unit Co-owner, in the event of a default by the tenant in the performance of the lease. The Board of Directors may suggest or require a standard form lease for use by all Co-owners. Each Co-owner shall, promptly following the execution of any lease of a Unit, forward a conformed copy thereof to the Board of Directors. Copies of all leases in effect as of the effective date of these Amended and Restated Bylaws shall be provided to the Association within fourteen (14) days of said effective date. Under no circumstances shall transient tenants be accommodated. "Transient tenant" is someone who

occupies a Unit for less than the minimum period required above regardless of whether or not compensation is paid. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. Tenants and nonCo-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases, rental agreements, and occupancy agreements shall so state.

- (b) Leasing Limitations. The aggregate number of Units that may be leased at any one time in the Condominium shall not exceed three (3) Units. Each Unit that was leased on the effective date (i.e., the date of recordation) of these Amended and Restated Bylaws shall be exempt from, and shall not count toward, the numerical lease limitation of the preceding sentence, but only for so long as none of the following occurs:

- (i) the current term and, if on the effective date of these Amended and Restated Bylaws, the tenant previously had renewed, or was unconditionally entitled to renew prior to the expiration of its current term, not more than one (1) renewal term not to exceed the current term in duration, of the lease (herein, a "Grandfathered Lease") expires;
- (ii) the Grandfathered Lease is not terminated, the tenancy abandoned or the Unit sold, unless any sale is made subject to the Grandfathered Lease; and
- (iii) the Co-owner or tenant ceases to be in substantial compliance with all applicable provisions and requirements of the Condominium Documents.

Anything herein notwithstanding, any Unit that is leased after the effective date of these Amended and Restated Bylaws, including, without limitation, a Unit that previously was subject to a Grandfathered Lease that has ceased to be exempt, as aforesaid, shall be subject to the lease limitation contained in the first sentence of this subsection. However, the provisions of this subsection shall not apply to a lender in possession of a Unit after foreclosure of its mortgage, or after accepting a deed given in lieu of the foreclosure of its mortgage, nor shall these provisions apply to an heir or devisee of a Co-owner who obtains title to the Unit as a result of the death of a Co-owner.

- (c) Lease Procedures and Administrative Fees. A Co-owner desiring to rent or lease a Unit shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form or otherwise agreeing to grant possession of the Unit 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. Co-owners who do not live in the Unit they own must keep the Association informed of their current correct address and phone number(s). The Board of Directors in reviewing proposed lease transactions in accordance with the provisions of this Section 2(c) shall be responsible to obtain compliance with the provisions of this Section and may adopt such reasonable rules and regulations to insure that the restrictions contained in this Section 2 (c) are applied in an equitable manner. The Board of Directors may charge an administrative fee of Fifty Dollars (\$50.00), or such different amount as, in its discretion, it shall establish from time to time, for reviewing, approving and monitoring lease transactions in accordance with this Article VI, Section 2. Any such administrative fees shall be assessed to and collected from the leasing Co-owner in the same manner as the collection of assessments under Article II hereof. This provision shall also apply to occupancy agreements.

- (d) Violation of Condominium Documents by Tenants and NonCo-owner Occupants. If the Association determines that the tenant or nonCo-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following actions:

- (i) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant or nonCo-owner occupant. The Co-owner shall have fifteen (15) days after receipt of the notice to investigate and correct the alleged breach by the tenant or nonCo-owner occupant or advise the Association that a violation has not occurred.
- (ii) 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 an action for both eviction against the tenant or nonCo-owner occupant and, simultaneously, for money damages against the Co-owner and tenant or nonCo-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this section may be by summary proceeding. The Association may hold both the tenant or nonCo-owner occupant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant or nonCo-owner

occupant in connection with the Unit or Condominium Project and for actual legal fees and costs incurred by the Association in connection with legal proceedings hereunder.

- (e) Arrearage in Condominium Assessments. When a Co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to a tenant or nonCo-owner occupant occupying a Co-owner's Condominium Unit under a lease, rental or occupancy agreement and the tenant or nonCo-owner occupant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions do not constitute a breach of the rental agreement, lease or occupancy agreement by the tenant or nonCo-owner occupant. If the tenant, after being notified, fails or refuses to remit to the Association rent otherwise due the Co-owner, the Association may:
- (i) Issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.
  - (ii) Initiate proceedings pursuant to subsection (c) (ii) of this Section 2.
- The form of lease used by any Co-owner shall explicitly contain the foregoing provisions of this subsection (e).

### Section 3. Alterations and Modifications of Units and Common Elements.

- (a) No Co-owner shall make alterations in exterior appearance or make structural modifications to his Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, Limited or General, without the express written approval of the Board of Directors (which approval shall be in recordable form), including, without limitation, exterior painting, lights, aerials or antennas (except those antennas referred to in Section 3(b) below), awnings, doors, shutters, newspaper holders, mailboxes, hot tubs and jacuzzis, basketball backboards or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to walls between Units which in any way impair sound conditioning provisions. Notwithstanding having obtained such approval by the Board of Directors, the Co-owner shall obtain any required building permits and shall, otherwise, comply with all building requirements of the Township. The Board may only approve such modifications as do not impair the soundness, safety, utility or appearance of the Condominium Project. No attachment, appliance or other item may be installed which is designed to kill or repel insects or other animals by light or humanly audible sound. The Association shall not be liable to any person or entity for mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve any such plans, specifications and plot plan. No action shall be brought or maintained by anyone whatsoever against the Association for or on account of his or her failure to bring any action for any breach of these covenants.
- (b) Notwithstanding the provisions of Section 3(a) above, the following three (3) types and sizes of antennas may be installed in the Unit or on Limited Common Elements for which the Co-owner has direct or indirect ownership and exclusive use or control, subject to the provisions of this Section and any written rules and regulations promulgated by the Board of Directors of the Association under Section 10 of this Article: (1) Direct broadcast satellite antennas ("Satellite Dishes") one meter or less in diameter; (2) Television broadcast antennas of any size; and (3) Multi-point distribution service antennas (sometimes called wireless cable or MDS antennas) one meter or less in diameter. Antenna installation on General Common Element areas is prohibited, unless established by the Association in its sole discretion as provided below. The rules and regulations promulgated by the Board of Directors governing installation, maintenance or use of antennas shall not impair reception of an acceptable quality signal, unreasonably prevent or delay installation, maintenance or use of an antenna, or unreasonably increase the cost of installing, maintaining or using an antenna. Such rules and regulations may provide for, among other things, placement preferences, screening and camouflaging or painting of antennas. Such rules and regulations may contain exceptions or provisions related to safety, provided that the safety rationale is clearly articulated therein. Antenna masts, if any, may be no higher than necessary to receive acceptable quality signals, and may not extend more than twelve (12) feet above the roofline without preapproval, due to safety concerns. A Co-owner desiring to install an antenna must notify the Association prior to installation by submitting a notice in the form prescribed by the Association. If the proposed installation complies with this

Section 3(b) and all rules and regulations regarding installation and placement of antennas, installation may begin immediately; if the installation will not comply, or is in any way not routine in accordance with this Section and the rules and regulations, then the Association and Co-owner shall meet promptly and within seven (7) days after receipt of the notice by the Association, if possible, to discuss the installation. The Association may prohibit Co-owners from installing the aforementioned satellite dishes and/or antennas if the Association provides the Co-owner(s) with access to a central antenna facility that does not impair the viewers' rights under Section 207 of the Federal Communication Commission ("FCC") rules. This Section is intended to comply with the rule governing antennas adopted by the FCC effective October 14, 1996, as amended by FCC Orders released September 25, 1998 and November 20, 1998, and is subject to review and revision to conform to any changes in the content of the FCC rules or the Telecommunications Act of 1996, and this Section may be modified through rules and regulations promulgated by the Board of Directors pursuant to Section 10 of this Article.

- (c) The Co-owner shall be responsible for the maintenance and repair of any such modification or improvement. If the Co-owner fails to maintain and/or repair said modification or improvement to the satisfaction of the Association, the Association may undertake to maintain and/or repair same and assess the Co-owner the costs thereof and collect same from the Co-owner in the same manner as provided for the collection of assessments in Article II hereof. The Co-owner shall indemnify and hold the Association harmless from and against any and all costs, damages, and liabilities incurred in regard to said modification and/or improvement and (except with respect to antennas referred to in Section 3(b) above) shall be obligated to execute a Modification Agreement, if requested by the Association, as a condition for approval of such modification and/or improvement. No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves, sump pump, or any element which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access.

Section 4. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, Limited or General, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall be carried on in or on the Common Elements or in any Unit at any time. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. No Co-owner shall use or permit to be brought into the buildings in the Condominium any flammable oils or fluids such as gasoline, kerosene, naphtha, benzene, or other explosives or articles deemed to be extra-hazardous to life, limb or property, without in each case obtaining the written consent of the Association. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: any activity involving the use of firearms, air rifles, pellet guns, b-b guns, bows and arrows, illegal fireworks, or other similar dangerous weapons, projectiles or devices.

Section 5. Pets. No reptiles, exotic pets, and no animals, except no more than one (1) dog or one (1) cat, shall be maintained by any Co-owner unless specifically approved in writing by the Association. No animal may be kept or bred for any commercial purpose. Any animal shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No doghouses or tethering of animals shall be permitted on the Common Elements, Limited or General. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be leashed and attended in person by some responsible person while on the Common Elements, Limited or General. The Board of Directors may, in its discretion, designate certain portions of the General Common Elements of the Project wherein such animals may be walked and/or exercised. Nothing herein contained shall be construed to require the Board of Directors to so designate a portion of the General Common Elements for the walking and/or exercising of animals. No savage or dangerous animal shall be kept and any Co-owner who causes

any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability (including costs and attorney fees) which the Association may sustain as a result of the presence of such animal on the premises, whether or not the Association has given its permission therefor, and the Association may assess and collect from the responsible Co-owner such losses and/or damages in the manner provided in Article IX hereof. Each Co-owner shall be responsible for the immediate collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No dog which barks and can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article IX of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. The Association may, after notice and hearing, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association, although such hearing shall not be a condition precedent to the institution of legal proceedings to remove said animal. The Association may also assess fines for such violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. The provisions of this Section 5 shall not apply to small animals that are constantly caged, such as small birds or fish.

Section 6. Aesthetics. The Common Elements, Limited or General, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. No unsightly condition shall be maintained on any porch, patio or balcony and only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use, except as may be provided in rules and regulations of the Association. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The Common Elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. Automobiles may not be washed on any portion of the Condominium Premises, except in areas designated by the Board of Directors. Nothing herein contained shall be construed to require the Board of Directors to so designate an area for washing of automobiles. There shall be no outdoor cooking or barbecues except in areas designated therefor by the Board of Directors. Nothing herein contained shall be construed to require the Board of Directors to so designate an area for outdoor cooking or barbecues. In general, no activity shall be carried on nor condition maintained by any Co-owner either in the Co-owner's Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 7. Common Element Maintenance. Sidewalks, landscaped areas, driveways and roads shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs, or benches may be left unattended on or about the General Common Elements, except as may be provided by duly adopted rules and regulations of the Condominium. The use of any recreational facilities or other amenities in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations; provided, however, that use of any amenities in the Condominium shall be limited to resident Co-owners who are members in good standing of the Association and to the tenants, land contract purchasers and/or other non-Co-owner occupants of Condominium Units in which the Co-owner does not reside and/or such guests as may be permitted by the rules and regulations promulgated by the Association; provided, further, however, that the nonresident Co-owners of such Condominium Units are members in good standing of the Association.

Section 8. Vehicles. No housetrailer, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all-terrain vehicles, snowmobiles, snowmobile trailers or vehicles, other than automobiles, vehicles and trucks designed and used primarily for personal transportation purposes, may be parked upon the premises of the Condominium, except in the appurtenant Limited Common Element garage, in the case of any Unit which has one, unless specifically approved by the Association or parked in another area specifically designated therefor by the Association. Nothing herein contained shall be construed to require the Association to approve the parking of such vehicles as are described in the first sentence of this



Section or to designate an area therefor. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of such vehicles or to designate an area therefor. Any non-assigned parking areas shall be reserved for the general use of the members and their guests. Commercial vehicles and trucks (except trucks designed and used primarily for personal transportation as hereinbelow provided) shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pick-ups in the normal course of business. For purposes of this Section, "commercial vehicle" means any vehicle that has any one of the following characteristics: (a) more than two (2) axles; (b) gross vehicle weight rating in excess of Ten Thousand (10,000) pounds; (c) visibly equipped with or carrying equipment or materials used in a business; or (d) carrying a sign advertising or identifying a business. Noncommercial trucks such as Suburbans, Blazers, Bravadas, Jeeps, GMC's/Jimmy's, pickups, vans, and similar vehicles that are designed and used primarily for personal transportation shall be permissible, except as may be otherwise prohibited herein. Nonoperational vehicles or vehicles with expired license plates shall not be parked or stored on the Condominium Premises without the written permission of the Board of Directors. Non-emergency maintenance or repair of motor vehicles shall not be permitted on the Condominium Premises unless specifically approved by the Board of Directors. Co-owners having appurtenant Limited Common Element garage spaces shall park their vehicles in their respective garage space. Any additional vehicles maintained by the Co-owners shall be parked in driveways, guest areas or unassigned spaces, subject to regulations as may be promulgated by the Board of Directors. In the event that there arises a shortage of parking spaces, the Association may assign General Common Element parking spaces for the use of the Co-owners of a particular Unit or Units in an equitable manner. The Association may also construct such additional parking facilities on the General Common Elements as the Association, in its discretion, determines to be necessary. The Association may cause vehicles parked or stored in violation of this Section or of any applicable rules and regulations of the Association to be removed from the Condominium Premises and the cost of such removal may be assessed to, and collected from, the Co-owner of the Unit responsible for the presence of the vehicle in the manner provided in Article II hereof. Co-owners shall, if the Association shall require, register with the Association all vehicles maintained on the Condominium Premises. The Board of Directors may promulgate in accordance with Section 10 below reasonable rules and regulations governing the parking of vehicles in the Condominium consistent with the provisions hereof.

Section 9. Advertising. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs and "Open" signs, without written permission from the Association.

Section 10. Regulations. Reasonable rules or regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use and operation of the Condominium may be made and amended from time to time by the Board of Directors of the Association. Copies of all rules and regulations, and all amendments thereto, shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-owner. Any rule or regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Co-owners.

Section 11. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit and/or to protect the safety and/or welfare of the inhabitants of the Condominium. It shall be the responsibility of each Co-owner to provide the Association means of access to the Co-owner's Unit and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable, including without notice, under the circumstances and shall not be liable to such Co-owner for any necessary damage to the Co-owner's Unit and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access. In the event that it is necessary for the Association to gain access to a Unit or the contents of same or Limited Common Elements appurtenant to same which are under the control or possession of the Co-owner to make repairs to prevent damage to the Common Elements or to another Unit or to protect the safety and welfare of the inhabitants of the Condominium, the costs, expenses, damages, and/or attorney fees incurred by the Association in such

undertaking shall be assessed to the responsible Co-owner and collected in the same manner as provided in Article II hereof.

Section 12. Landscaping. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Association in writing. Any such approved landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted by the Co-owner shall be performed and/or planted, as the case may be, in a manner consistent with the landscaping in other portions of the Condominium Premises. The Co-owner shall be responsible for the maintenance of any such approved landscaping performed by a Co-owner and any such trees, shrubs, or flowers planted by the Co-owner. In the event that such Co-owner fails to adequately maintain such landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted by the Co-owner to the satisfaction of the Association, the Association shall have the right to perform such maintenance and assess and collect from the Co-owner the cost thereof in the manner provided in Article II hereof. The Co-owner shall also be liable for any damages to the Common Elements arising from the performance of such landscaping or the planting of such trees, shrubs, or flowers, or the continued maintenance thereof.

Section 13. Disposition of Interest in Unit by Sale or Lease. No Co-owner may dispose of a Unit, or any interest therein, by a sale or lease without complying with the following terms or conditions:

- (a) Notice to Association: Co-owner to Provide Condominium Documents to Purchaser or Tenant. A Co-owner intending to make a sale or lease of a Unit in the Condominium, or any interest therein, shall give written notice of such intention delivered to the Association at its registered office and shall furnish the name and address of the intended purchaser or lessee and such other information as the Association may reasonably require. Prior to the sale or lease of a Unit, the selling or leasing Co-owner shall provide a copy of the Condominium Master Deed (including Exhibits "A" and "B" thereto) and any amendments to the Master Deed, the Articles of Incorporation and any amendment thereto, and the rules and regulations, as amended, if any, to the proposed purchaser or lessee, and such selling or leasing co-owner shall provide the Association with a written acknowledgment or receipt signed by the proposed purchaser or lessee acknowledging receipt of said Condominium Documents. In the event a Co-owner shall fail to notify the Association of the proposed sale or lease or in the event a Co-owner shall fail to provide the prospective purchaser or lessee with a copy of the Master Deed and other documents referred to above, such Co-owner shall be liable for all costs and expenses, including attorney fees, that may be incurred by the Association as a result thereof or by reason of any noncompliance of such purchaser or lessee with the terms, provisions and restrictions set forth in the Master Deed; provided, however, that this provision shall not be construed so as to relieve the purchaser or lessee of his/her obligations to comply with the provisions of the Condominium Documents.
- (b) Mortgagees not Subject to Section. A holder of any mortgage which comes into possession of a Unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed in lieu of foreclosure, shall not be subject to the provisions of this Section 13.

Section 14. Co-owner Responsibility for Due Care and Maintenance. Each Co-owner shall use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, air conditioning compressors, cable or satellite television, electrical or other utility conduits and systems and any other elements which are appurtenant to or which may affect any other Unit. Additionally, each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition and in accordance with any insurance risk management policies from time to time adopted by the Board of Directors in accordance with Section 10 of this Article. In the event that a Co-owner fails to properly maintain, repair or replace any portion of the Condominium Premises for which he or she is assigned by the Condominium Documents the responsibility for maintenance, repair and/or replacement, in addition to any other remedy which it may have under these Bylaws, the Association may perform any such maintenance, repair and replacement following the giving of three (3) days written notice thereof to the responsible Co-owner of its intent to do so (except in the case of an emergency repair with which the Association may proceed without prior notice). The Association may assess the costs thereof to the Co-owner of the Unit as provided in Section 16 below. The aforesaid right of the Association to perform such maintenance, repair and replacement shall not be deemed an obligation

of the Association, but, rather, is in the sole discretion of the Board of Directors. The Co-owners shall have the responsibility to report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement.

Notwithstanding any other provision of the Condominium Documents, each Co-owner shall be responsible for all damages or costs incurred by the Association for the repair or replacement of Common Elements, or by any other Co-owner(s) for the repair or replacement of any Unit or Limited Common Element, as the case may be, which results from: (a) any negligent or intentional action or omission by the Co-owner, his land contract purchaser or his tenant, or by the family, servants, employees, agents, visitors, licensees, or household pets of the Co-owner, land contract purchaser or tenant; or (b) any failure of, or any Co-owner failure to maintain, any portion of the Condominium Premises for which the Co-owner is assigned by the Condominium Documents the responsibility to maintain, repair and replace, regardless whether the damage or cost resulted from any Co-owner negligent or intentional action or omission; provided, in either such case, that there shall be no such responsibility (unless full reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount) if and to the extent that such damages or costs are covered by insurance carried by the Association. Each Co-owner shall indemnify and hold harmless the Association and every other Co-owner against such damages and costs, including actual attorneys' fees (not limited to reasonable attorneys' fees), and all such costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 15. Restrictions not Applicable to the Association. None of the restrictions contained in this Article VI shall apply to the activities of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation as the same may be amended from time to time.

Section 16. Telephone Numbers of Occupants of Units. Upon the request of the Association, the telephone numbers of all occupants of Condominium Units shall be supplied to the Association.

Section 17. Assessment of Costs of Enforcement. Any and all costs, damages, expenses and/or attorneys fees incurred by the Association in enforcing any of the restrictions set forth in this Article, and/or rules and regulations promulgated by the Board of Directors of the Association under Section 10 of this Article, and any costs, expenses, and attorneys' fees incurred in collecting said costs, damages, expenses, and/or attorneys' fees, 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 invites, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

## **ARTICLE VII** **MORTGAGES**

Section 1. Notice to Association. Any Co-owner who mortgages his/her Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units". The Association shall report any unpaid assessments due from the Co-owner of such Unit to the holder of any first mortgage covering such Unit. The Association shall also give to the holder of any first mortgage covering any Unit in the Condominium written notification of any other default in the performance of the obligations of the Co-owner of such Unit that is not cured within sixty (60) days.

Section 2. Insurance. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

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

## ARTICLE VIII VOTING

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

Section 2. Eligibility to Vote. No Co-owner shall be entitled to vote at any meeting of the Association until he/she has presented a deed or other evidence of ownership of a Unit in the Condominium to the Association. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article II or by a proxy given by such individual representative.

Section 3. Designation of Voting Representative. Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association, sign petitions and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name, address and telephone number of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name, address and telephone number of each person, firm, corporation, limited liability company, limited liability partnership, partnership, association, trust, or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided, but the designation of a non-Co-owner as a designated voting representative shall not entitle that non-Co-owner to serve as an officer or director of the Association, unless otherwise permitted under these Bylaws.

Section 4. Quorum. The presence in person or by proxy of thirty-five percent (35%) of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically provided herein to require a greater quorum. The written absentee ballot of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the ballot is cast.

Section 5. Voting. Votes may be cast in person or by proxy or by a written absentee ballot duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any absentee ballots must be filed with the Secretary of the Association, or such other person as the Association shall designate, at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

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

## ARTICLE IX MEETINGS

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

Section 2. Annual Meetings. There shall be an annual meeting of members of the Association which shall be held during the month of May, at such date, time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the Co-owners, a Board of Directors in accordance with the requirements of Article X of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

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

Section 4. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Co-owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these Bylaws shall be deemed notice served. In lieu thereof, said notice may also be hand delivered to a Unit if the Unit address is designated as the voting representative's address, and/or the Co-owner is a resident of the Unit. Electronic transmittal of such notice, such as facsimile, E-mail and the like, may be deemed notice served in the sole discretion of the Board so long as written or electronic confirmation of receipt of the notice is returned to and received by the Association from the designated voting representative. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 5. Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called to attempt to obtain a quorum.

Section 6. Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspector of elections (at annual meetings or special meetings held for the purpose of election of directors or officers); (g) election of directors (at annual meetings or special meetings held for such a purpose); (h) unfinished business; and (i) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary, and Treasurer.

Section 7. Action Without Meeting. Any action which may be taken at a meeting of the members of the Association (except for the election or removal of directors) may be taken without a meeting, with or without prior notice, by written consent of the members; provided, that there shall first have been held a meeting of the members called for such purpose with the same notice as would be required if the action were taken at a special meeting of the members called for such purpose; provided further, that a quorum of the members shall not be required to be in attendance at any such meeting. Written consents may be solicited in the same manner as provided in Section 4 above for the giving of notice of meetings of members. Such solicitation may specify the percentage of consents necessary to approve the action, and the time by which consents must be received in order to be counted. The form of written consents shall afford an opportunity to consent (in writing) to each matter and shall provide that, where the member specifies his or her consent, the vote shall be cast in accordance therewith. Approval by written consent shall be constituted by receipt within the time period specified in the solicitation of a number of written consents which equals or exceeds the minimum number of votes which would be required for approval if the action were taken at a meeting at which all members entitled to vote were present and voted.

Section 8. Consent of Absentees. The transactions of any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy or by absentee ballot; and if, either before or after the meeting, each of the members not present in person or by proxy, or absentee ballot, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 9. Minutes; Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed to truthfully evidence the matters

set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

## **ARTICLE X**

### **BOARD OF DIRECTORS**

Section 1. Qualifications of Directors. The affairs of the Association shall be governed by a Board of Directors, all of whom must be members in good standing of the Association. Good standing shall be deemed to include a member who is current in all financial obligations to the Association and who is not in default of any of the provisions of the Condominium Documents. If a member of the Association is a partnership or corporation, then any partner or employee of the partnership, or officer, director, or employee of the corporation, may serve as a director. Directors shall serve without compensation.

Section 2. Number and Election of Directors. The Board of Directors shall be composed of five (5) persons. The term of office of each director shall be three (3) years and the terms of the respective directors have been previously staggered. At each annual meeting of the members held, either one (1) or two (2) directors shall be elected, depending upon the number of directors whose terms expire. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. Powers and Duties. All powers, duties and authorities vested in, or delegated to the Association shall be exercised by its Board of Directors. 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 not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners, including, without limitation, having easement rights to, through, over, and under the Limited Common Elements and the Condominium Units for the exercise of its maintenance functions.

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

- (a) To manage and to administer the affairs of, and to maintain, the Condominium and the Common Elements thereof.
- (b) To levy and collect assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (c) To carry insurance and to collect and to allocate the proceeds thereof.
- (d) To rebuild improvements after casualty.
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium.
- (f) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights of way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association; provided, however, that the purchase of any Unit in the Condominium for use by a resident manager shall be approved by an affirmative vote of more than sixty (60%) percent of all Co-owners.
- (g) To grant easements, rights of entry, rights of way, and licenses to, through, over, and with respect to Association property and/or the Common Elements of the Condominium on behalf of the members of the Association in furtherance of any of the purposes of the Association and to dedicate to the public any portion of the Common Elements of the Condominium; provided, however, that any such action shall also be approved by the affirmative vote of more than sixty (60%) percent of all

Co-owners. The aforementioned sixty (60%) percent approval requirement shall not apply to subparagraph (h) below..

- (h) To grant such easements, licenses and other rights of entry, use and access, and to enter into any contract or agreement, including wiring agreements, utility agreements, right of way agreements, access agreements and multi-unit agreements, and to the extent allowed by law, contracts for sharing of any installation or periodic subscriber fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Condominium or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which would violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or any other company or entity in connection with such service, including fees, if any, for the privilege of installing same, or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium, within the meaning of the Act, and shall be paid over to and shall be the property of the Association.
- (i) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the Association and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by the affirmative vote of more than fifty (50%) percent of all Co-owners, unless same is a letter of credit and/or appeal bond for litigation, or unless same is for a purchase of personal property with a value of Fifteen Thousand Dollars (\$15,000.00) or less.
- (j) To make and enforce reasonable rules and regulations in accordance with Article VI, Section 10 of these Bylaws and to make and enforce resolutions and policies in furtherance of any or all of the purposes of the Association or of the Condominium Documents.
- (k) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or by the Condominium Documents required to be performed by the Board.
- (l) To enforce the provisions of the Condominium Documents.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which shall not be a Co-owner or resident or affiliated with a Co-owner or resident) at a reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent in which the maximum term is greater than three (3) years or which is not terminable by the Association upon ninety (90) days' written notice thereof to the other party.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each person so elected shall serve until the next annual meeting of members, at which the Co-owners shall elect a director to serve the balance of the term of such directorship.

Section 7. Removal by Co-owners. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one (1) or more of the directors may be removed with or without cause by the affirmative vote of more than fifty (50%) percent of the Co-owners qualified to vote, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

Section 8. First Meeting. The first meeting of the newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time-to-time by a majority of the Board of Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally, by mail, telephone or telegraph, at least five (5) days prior to the date named for such meeting. Said notice may also be hand delivered or electronically transmitted, i.e., via facsimile, E-mail or the like, so long as written or electronic confirmation of receipt of the notice is returned by the director.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President upon three (3) days' notice to each director, given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Said notice may also be hand delivered or electronically transmitted, i.e., via facsimile, E-mail or the like, so long as written or electronic confirmation of receipt of the notice is returned by the director. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) directors.

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

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

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

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

Section 15. Participation in a Meeting by Telephone. A director may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section constitutes presence at the meeting.

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



## ARTICLE XI OFFICERS

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

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

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and 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. President. The President shall be the chief executive officer of the Association. The President shall preside and may vote at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members of the Association from time-to-time as the President may in the President's discretion deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice-President. The Vice-President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon the Vice President by the Board of Directors.

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

Section 7. Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors.

Section 8. Duties. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

## ARTICLE XII SEAL

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

## ARTICLE XIII

## FINANCE

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. The non-privileged Association books, records, and contracts concerning the administration and operation of the Condominium shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours, subject to such reasonable inspection procedures as may be established by the Board of Directors from time to time. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be reviewed or audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does there need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit shall be entitled to receive a copy of such annual financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The cost of any such review or audit and any accounting expenses shall be expenses of administration.

Section 2. Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the directors. Absent such determination by the Board of Directors, the fiscal year of the Association shall be the calendar year. The commencement date of the fiscal year shall be subject to change by the directors for accounting reasons or other good cause.

Section 3. Depositories. The funds of the Association shall be deposited in such bank, savings association or money market accounts as may be approved by the Board of Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such banks or savings associations as are insured by the Federal Deposit Insurance Corporation, in interest-bearing obligations of the United States Government or in such other depositories as may be adequately insured in the discretion of the Board of Directors.

## ARTICLE XIV INDEMNIFICATION OF OFFICERS AND DIRECTORS; DIRECTORS' AND OFFICERS' INSURANCE

Section 1. Indemnification of Directors and Officers. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and amounts paid in settlement incurred by or imposed upon the director or officer in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, to which the director or officer may be a party or in which he/she may become involved by reason of his/her being or having been a director or officer of the Association, whether or not he/she is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of the director's or officer's duties, and except as otherwise prohibited by law; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof.

Section 2. Directors' and Officers' Insurance. The Association shall provide liability insurance for every director and officer of the Association for the same purposes provided above in Section 1, and in such amounts as may reasonably insure against potential liability arising out of the performance of their respective duties. With the prior written consent of the Association, a director or an officer of the Association may waive any liability insurance for such director's or officer's personal benefit or other applicable statutory

indemnification. No director or officer shall collect for the same expense or liability under Section 1 above and under this Section 2; however, to the extent that the liability insurance provided herein to a director or officer was not waived by such director or officer and is inadequate to pay any expenses or liabilities otherwise properly indemnifiable under the terms hereof, a director or officer shall be reimbursed or indemnified only for such excess amounts under Section 1 hereof or other applicable statutory indemnification.

## **ARTICLE XV AMENDMENTS**

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the directors or by one-third (1/3) or more of the Co-owners or by an instrument in writing signed by them.

Section 2. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws, except as may be permitted by Article IV, Section 7 of these Bylaws.

Section 3. Voting. These Bylaws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose, or as permitted by Article IX, Section 7 above, by an affirmative vote of not less than sixty-six and two-thirds percent (66-2/3%) of all Co-owners entitled to vote as of the record date for such votes.

Section 4. Mortgagee Approval Requirement. Notwithstanding any other provision of the Condominium Documents to the contrary, mortgagees are entitled to vote on amendments to the Condominium Documents only when and as required by the Act, as amended. Moreover, insofar as permitted by the Act, these Bylaws shall be construed to reserve to the Co-owners the right to amend these Bylaws without the consent of mortgagees if the amendment does not materially alter or change the rights of mortgagees generally, or as may be otherwise described in the Act, notwithstanding that the subject matter of the amendment is one which in the absence of this sentence would require that mortgagees be afforded the opportunity to vote on the amendment. If, notwithstanding the preceding sentences, mortgagee approval of a proposed amendment to these Bylaws is required by the Act, the amendment shall require the approval of sixty-six and two-thirds percent (66-2/3%) of the first mortgagees of Units, with each mortgagee to have one (1) vote for each mortgage held. Mortgagees are not required to appear at any meeting of Co-owners but their approval shall be solicited through written ballots in accordance with the procedures provided in the Act.

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

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

## **ARTICLE XVI COMPLIANCE**

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

## **ARTICLE XVII DEFINITIONS**

All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act. Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference shall also be included to the plural where the same would be appropriate.

## **ARTICLE XVIII REMEDIES FOR DEFAULT**

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

- (a) Legal Action. Failure to comply with any of the terms and provisions of the Condominium Documents or the Act, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.
- (b) Recovery of Costs. In the event of a default of the Condominium Documents by a Co-owner, lessee, tenant, nonCo-owner resident and/or guest, the Association shall be entitled to recover from the Co-owner, lessee, tenant, nonCo-owner resident and/or guest, the pre-litigation costs and attorney fees incurred in obtaining their compliance with the Condominium Documents. In any proceeding arising because of an alleged default by any Co-owner, lessee, tenant, nonCo-owner resident and/or guest, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney fees (not limited to statutory fees) as may be determined by the Court, but in no event shall any Co-owner be entitled to recover such attorney fees. The Association, if successful, shall also be entitled to recoup the costs and attorney's fees incurred in defending any claim, counterclaim or other matter from the Co-owner asserting the claim, counterclaim or other matter.
- (c) Removal and Abatement. The violation of any of the provisions of the Condominium Documents, including the rules and regulations promulgated by the Board of Directors of the Association hereunder, shall also give the Association, or its duly authorized agents, the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents; provided, however, that judicial proceedings shall be instituted before items of construction are altered or demolished pursuant to this subsection. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.
- (d) Assessment of Fines. The violation of any of the provisions of the Condominium Documents, including any of the rules and regulations promulgated by the Board of Directors of the Association hereunder, by any Co-owner, his tenant or nonCo-owner occupant of his Unit, in addition to the rights set forth above, shall be grounds for assessment by the Association of a monetary fine for such violation against said Co-owner. No fine may be assessed unless the rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Article VI, Section 10 above. Thereafter, fines may be assessed only upon notice to the offending Co-owner and an opportunity for such Co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. Upon finding an alleged violation after an opportunity for hearing has been provided, the Board of Directors may levy a fine in such amount as it, in its discretion, deems appropriate, and/or as is set forth in the rules and regulations

establishing the fine procedure. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws.

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

Section 3. Cumulative Rights, Remedies, and Privileges. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

## **ARTICLE XIX** **SEVERABILITY**

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

# HIDDEN RIDGE

## PROPOSED AMENDMENTS TO THE AMENDED AND RESTATED MASTER DEED

1. **IT IS PROPOSED** that Article III of the Master Deed of Hidden Ridge be amended to delete existing paragraphs J., O. and P. thereof, all of which are now obsolete and unnecessary to the administration and operation of the Condominium.

2. **IT IS PROPOSED** that Article VI of the Master Deed of Hidden Ridge be deleted as it is now obsolete and unnecessary to the administration and operation of the Condominium.

3. **IT IS PROPOSED** that Article VII of the Master Deed of Hidden Ridge be amended to delete existing paragraphs B., C., D. and E. thereof, all of which are now obsolete and unnecessary to the administration and operation of the Condominium.

4. **IT IS PROPOSED** that Article VIII of the Master Deed of Hidden Ridge be deleted as it is now obsolete and unnecessary to the administration and operation of the Condominium.

5. **IT IS PROPOSED** that Article XII of the Master Deed of Hidden Ridge be deleted in its entirety and the following new Article XII substituted in its place and stead:

This Master Deed, the Bylaws and the Condominium Subdivision Plan (Replat No. 3, being Exhibit "B" to the First Amendment to the Amended and Restated Master Deed) may be amended with the consent of sixty-six and two-thirds percent (66-2/3%) of all of the Co-owners, in number and in value, entitled to vote as of the record date for said vote, except as hereinafter set forth:

- A. Modification of Units or Common Elements. A Co-owner's Unit dimensions or its appurtenant Limited Common Elements, and any provisions relating to the ability or terms under which the Co-owner may rent the Unit, may not be modified without the written consent of the Co-owner.
- B. Change in Percentage of Value. The method or formula utilized to determine the percentage of value assigned to any Unit for other than voting purposes shall not be modified without the written consent of the Co-owner and first mortgagee.
- C. Mortgagee Approval Requirement. Notwithstanding any other provision of the Condominium Documents to the contrary, mortgagees are entitled to vote on amendments to the Condominium Documents only when and as required by the Act.

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

- D. Termination, Vacation, Revocation and Abandonment. The Condominium may not be terminated, vacated, revoked or abandoned except with the approval of eighty percent (80%) of the Co-owners, in number and in value, and as otherwise allowed by law.

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6. **IT IS PROPOSED**, in the event the proposed Combined Amended and Restated Condominium Bylaws and Corporate Bylaws are approved by the Members and First Mortgagees, that Article III of the Master Deed of Hidden Ridge be amended to delete existing paragraphs C. and D. thereof and to substitute the following single new paragraph C.:

**ARTICLE III.  
DEFINITIONS**

\* \* \*

- C. "Bylaws" or "Amended and Restated Bylaws" both mean Exhibit "A" attached to the Second Amendment to Amended and Restated Master Deed, being the Combined Amended and Restated Condominium Bylaws and Corporate Bylaws, which sets forth the substantive rights and obligations of the Co-owners and is required by Section 3(8) of the Act to be recorded as part of the Master Deed, and also constitutes the Corporate Bylaws of Hidden Ridge Association, a Michigan nonprofit corporation, which is organized to manage, maintain and administer the Condominium.

7. **IT IS PROPOSED**, in the event the proposed Combined Amended and Restated Condominium Bylaws and Corporate Bylaws are approved by the Members and First Mortgagees, that Article X of the Master Deed of Hidden Ridge be deleted as the subject matter of that Article will hereafter be contained in Article V of the Combined Amended and Restated Condominium Bylaws and Corporate Bylaws.

## **AMENDMENT TO COMBINE, AMEND AND RESTATE CONDOMINIUM BYLAWS AND CORPORATE BYLAWS**

8. **IT IS PROPOSED** that the proposed Combined Amended and Restated Condominium Bylaws of Hidden Ridge and Corporate Bylaws of Hidden Ridge Association, attached hereto, be adopted in lieu of and in substitution for the existing Condominium Bylaws of Hidden Ridge (Exhibit "A" to the Amended and Restated Master Deed) and Corporate Bylaws of Hidden Ridge Association, neither of which shall have any continuing force or effect.

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**Each of the foregoing amendments shall become effective following approval of sixty-six and two-thirds percent (66-2/3%) of the Co-owners and sixty-six and two-thirds percent (66-2/3%) of the first mortgagees of Units, and thereafter upon the recording of same in the office of the Wayne County Register of Deeds.**

*DSK/server/Hidden Ridge/SecondAmendmentMD.01.30.06*