

# TROTTERS POINTE

## EXHIBIT A

### BYLAWS

#### ARTICLE I

##### ASSOCIATION OF CO-OWNERS

Trotters Pointe shall be administered by an Association of Co-owners which has been incorporated as a Michigan non-profit corporation known as Trotters Pointe Homeowners Association, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership 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 Site. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Sites in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Site 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 authorizations and responsibilities as set forth in the Condominium Documents and the Act shall be levied by the Association against the Sites 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 General Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Condominium, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the General Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium within the meaning of Section 54 (4) of the Act.

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

(a) Budget. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those General Common Elements that must be repaired or replaced on a periodic basis shall be established in the budget and must be funded by regular quarter-annual payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular project, 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. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time decide, in its sole discretion: (1) that the assessments levied are or may prove to be insufficient, (a) to pay the costs of operation and management of the Condominium, (b) to provide repairs or replacements of existing General Common Elements, (c) to provide additions to the General Common Elements not exceeding \$1,000.00 annually for the entire Condominium Project, or (2) that an emergency exists, the Association shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 3 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

(b) Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the General Common Elements of a cost exceeding \$1,000.00 for the entire Condominium Project per year, (2) assessments to purchase a Site upon foreclosure of the lien for assessments described in Section 5 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 2(a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than 60% of all Co-owners. The authority to levy assessments

pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or of the members thereof. This Section 2(b) does not apply to special assessments levied by the City pursuant to applicable provisions of the Master Deed.

Section 3. Apportionment of Assessments and Penalty for Default. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned equally among and paid by the Co-owners. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by Co-owners in four (4) equal quarter-annual installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Site, or with the acquisition of fee simple title to a Site by any other means. The payment of an installment shall be in default if such installment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Each installment in default for 10 or more days may bear interest from the initial due date thereof at the rate of 7% per annum until each installment is paid in full. The Association may assess reasonable automatic late charges or may, pursuant to Articles XIX and XX hereof, levy fines for late payment of assessment installments in addition to such interest. Each Co-owner (whether 1 or more persons) shall be, and remain, personally liable for the Co-owner's Site which may be levied while such Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessment levied up to and including the date upon which such land contract seller actually takes possession of the Site following extinguishment of all rights of the land contract purchaser in the Site. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorney's fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 4. Waiver of Use or Abandonment of Site. No Co-owner may exempt himself or herself from liability for the Co-owner's 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 Site.

Section 5. Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. 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 Site, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon 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 of the Condominium and shall not be entitled to vote at any meeting of the Association so long as such default

continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from the Co-owner's Site. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Site from the Co-owner thereof or any persons claiming under him or her. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Articles XIX and XX of these Bylaws. All of these remedies shall be cumulative and not alternative.

(b) Foreclosure proceedings. Each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as 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 project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Site with respect to which the assessment installment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Site in the Condominium acknowledges that at the time of acquiring title to such Site, he or she was notified of the provisions of this subparagraph and that he or she 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 Site.

(c) Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 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, a written notice that one or more installments of the annual assessment levied against the pertinent Site is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within 10 days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney's fees and future assessments), (iv) the legal description of the subject Site(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 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 delinquent Co-owner and shall inform him or her that he or she may request a judicial hearing by bringing suit against the Association.

(d) Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on the Co-owner's Site.

Section 6. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Site in the Condominium which comes into possession of the Site pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Site which accrue prior to the time such holder comes into possession of the Site (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 Sites including the mortgaged Site).

Section 7. Developer's Responsibility for Assessments. The Developer of the Condominium, although a member of the Association, shall not be responsible at any time for payment of the regular Association assessments. The Developer, however, shall at all times pay all expenses of maintaining the Sites that it owns, including the improvements located thereon, together with a proportionate share of all current expenses of administration actually incurred by the Association from time to time, except expenses related to maintenance and use of the Sites in the Condominium and of the improvements constructed within or appurtenant to the Sites that are not owned by Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses shall be based upon the ratio of all Sites owned by the Developer at the time the expense is incurred to the total number of Sites then in the Condominium. In no event shall the Developer be responsible for payment of any assessments for deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to Sites owned by them on which a completed residential dwelling is located. For instance, the only expenses presently contemplated that the Developer might be expected to pay are a pro rata share of snow removal and other road maintenance concerning Trotters Pointe from time to time as well as a pro rata share of any liability insurance and other administrative costs which the Association might incur from time to time. Any assessments levied by the Association against the Developer for other purposes shall be void without Developer's consent. The Developer may assign this limited exemption from regular Association assessments to any residential builders to which Developer may sell Sites. Further, the Developer shall in no event be liable for any assessment levied in whole or in part purchase any Site from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar related costs. A "completed residential dwelling" shall mean a residential dwelling with respect to which a certificate of occupancy has been issued by the City.

Section 8. 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 9. Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 10. Construction Lien. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

Section 11. Statement as to Unpaid Assessments. The purchaser of any Site may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. 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 a Site, the Association shall provide a written statement of such unpaid assessments 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 Site shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least 5 days prior to the closing of the purchase of such Site shall render any unpaid assessments and the lien securing the same fully enforceable against such purchaser and the Site itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Site and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

Section 12. Liens for Unpaid Assessments. Sums assessed to the Association which remain unpaid, including but not limited to regular assessments, special assessments, fines and late charges, shall constitute a lien upon the Site or Sites in the Condominium owned by the Co-owner at the time of the assessment and upon the proceeds of sale thereof. Any such unpaid sum shall constitute a lien against the Site as of the first day of the fiscal year to which the assessment, fine or late charge relates and shall be a lien prior to all claims except real property taxes and first mortgages of record. All charges which the Association may levy against any Co-owner shall be deemed to be assessments for purposes of this Section and Section 108 of the Act.

### 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 the Co-owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the

State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties thereto shall accept the arbitrator's 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.

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. Such election and written consent by Co-owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

## ARTICLE IV

### INSURANCE

Section 1. Extent of Coverage. The association shall, to the extent appropriate in light of the nature of the General Common Elements of the Condominium, carry extended coverage, vandalism and malicious mischief and liability insurance (in a minimum amount to be determined by the Developer or the Association in its discretion, but in no event less than \$1,000,000 per occurrence), officers' and directors' liability insurance, and workmen's compensation insurance, if applicable, and any other insurance the Association may deem applicable, desirable or necessary, pertinent to the ownership, use and maintenance of the General Common Elements and such insurance shall be carried and administered in accordance with the following provisions.

(a) Responsibilities of Association. All such insurance shall be purchased by the Association for the benefit of the Association, the Developer and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners, upon request of a mortgagee.

(b) Insurance of Common Elements. All General Common Elements of the Condominium Project shall be insured against perils covered by a standard extended coverage endorsement, if applicable and appropriate, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

(c) Premium Expenses. All premiums on insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

(d) Proceeds of Insurance Policies. If applicable, proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the Co-owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first mortgages on Sites in the Condominium have given their prior written approval.

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Site in the Condominium Project, 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 insurance and workmen's compensation insurance, if applicable, pertinent to the General Common Elements of the Condominium Project, with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefore, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing. Unless the Association obtains coverage for the dwelling within the Site pursuant to the provisions of Article IV, Section 3 below, the Association's authority shall not extend to insurance coverage on any dwelling.

Section 3. Responsibilities of Co-owners. Each Co-owner, shall be obligated and responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the dwelling and all other improvements constructed or to be constructed within the perimeter of the Co-owner's Condominium Site and for the Co-owner's personal property located therein or thereon or elsewhere on the Condominium Project. There is no responsibility on the part of the Association to insure any of such improvements whatsoever. All such insurance shall be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Each Co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner hereunder. In the event of the failure of a Co-owner to obtain such insurance or to provide evidence thereof to the Association, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefore shall constitute a lien against the Co-owner's Site which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article II hereof. Each Co-owner also shall be obligated to obtain insurance coverage for the Co-owner's personal liability for occurrences within the perimeter of the Co-owner's Site and the improvements located thereon, and also for any other personal insurance coverage that the Co-owner wishes to carry. Such insurance shall be carried in such minimum



amounts as may be specified by the Association and such coverage shall not be less than \$1,000,000.00 (and as specified by the Developer during the Development and Sales Period) and each Co-owner shall furnish evidence of such coverage to the Association or the Developer upon request. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so.

Section 4. Waiver of Right of Subrogation. The Association and all Co-owners shall use their best efforts to cause all property and liability insurance carried by the Association or any Co-owner to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

Section 5. Indemnification. Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer and the Association for all damages and costs, including attorneys' fees, which such other Co-owners, the Developer or the Association may suffer as a result of defending any claim arising out of an occurrence on or within such individual Co-owner's Site and shall carry insurance to secure this indemnity if so required by the Association (or the Developer during the Development and Sales Period). This Section 5 shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner, however.

## ARTICLE V

### RECONSTRUCTION OR REPAIR

Section 1. Responsibility for Reconstruction or Repair. If any part of the Condominium Premises shall be damaged, the determination of whether or not it shall be reconstructed or repaired, and the responsibility therefore shall be as follows:

(a) General Common Elements. If the damaged property is a General Common Element, the damaged property shall be rebuilt or repaired unless all of the Co-owners and all of the institutional holders of first mortgages on any Site in the Condominium unanimously agree to the contrary; provided, however, that this Section shall not affect the right of the City to require maintenance, repair and replacement of the private roads, if any, or a private Storm Water Drainage System and Retention Basin System, if any, as set forth in applicable provisions of the Master Deed.

(b) Site or Improvements Thereon. If the damaged property is a Site or any improvements thereon, the Co-owner of such Site alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property, and such Co-owner shall be responsible for any reconstruction or repair that he or she elects to make. The Co-owner shall in any event remove all debris and restore the Co-owner's Site and the improvements thereon to a clean and slightly condition satisfactory to the Association

and in accordance with the provisions of Article VI hereof as soon as reasonably possible following the occurrence of the damage.

Section 2. Repair in Accordance with Master Deed, etc. Any such reconstruction or repair of an improvement within the General Common Elements shall be substantially in accordance with the Master Deed and the original plans and specifications of the improvements unless the Co-owners shall unanimously decide otherwise. Further, any such reconstruction or repair will be subject to any applicable building code requirements and other ordinance requirements of the City.

Section 3. Association Responsibility for Repair. Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 4. Timely Reconstruction and Repair. If damage to the General Common Elements adversely affects the appearance of the Condominium, the Association shall proceed with replacement of the damaged property without delay.

Section 5. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

(a) Taking of Site or Improvements Thereon. In the event of any taking of all or any portion of a Site or any improvements thereon by eminent domain, the award for such taking shall be paid to the Co-owner of such Site and the mortgagee thereof, as their interests may appear, notwithstanding any provision of the Act to the contrary. If a Co-owner's entire Site is taken by eminent domain, such Co-owner and the Co-owner's mortgagee shall, after acceptance of the condemnation award therefore, be divested of all interest in the Condominium Project.

(b) Taking of General Common Elements. If there is any taking of any portion of the General Common Elements, the condemnation proceeds 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 50% of the Co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) Continuation of Condominium After Taking. In the event of the Condominium Project continues after taking by eminent domain, then the remaining

portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly, and, if any Site shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of 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.

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

(e) Applicability of the Act. To the extent not inconsistent with the foregoing provisions, Section 133 of the Act shall control upon any taking by eminent domain.

Section 6. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Co-owner or any other party priority over any rights of first mortgagees of Condominium Sites pursuant to their mortgages in the case of a distribution to Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Sites and/or Common Elements.

## ARTICLE VI

### RESTRICTIONS

All of the Sites in the Condominium shall be held, used and enjoyed subject to the following limitations and restrictions:

Section 1. Residential Use. No Site in the Condominium shall be used for other than single-family residential purposes and the Common Elements shall be used only for purposes consistent with single-family residential use. Houses shall be designed and erected for occupation by, and occupied by, one single family. Neither the Sites nor the Common Elements shall be used in violation of applicable zoning or other ordinances of the City or in violation of other pertinent laws or regulations and all Co-owners and the Association shall, whenever required, obtain affirmative approvals or permits from the City as may be required by applicable ordinances. Trotters Pointe is established as a first-class residential site condominium project and shall be maintained at all times in accordance with high standards consistent with such use.

Section 2. Leasing and Rental.

(a) Right to Lease. A Co-owner may lease or sell the Co-owner's Site for the same purposes set forth in Section 1 of this Article VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the

Association in the manner specified in subsection (b) below. With the exception of a lender in possession of a Site following a default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Site in the Condominium and no tenant shall be permitted to occupy except under a lease the initial term of which is at least 6 months unless specifically approved in writing by the Association. 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. The Developer may lease any number of Sites in the Condominium in its discretion.

(b) Leasing Procedures. The leasing of Sites in the project shall conform to the following provisions:

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

(2) Tenants and non-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases and rental agreements shall so state.

(3) If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

(i) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant.

(ii) The Co-owner shall have 15 days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(iii) If after 15 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the General Common Elements caused by the Co-owner or tenant in connection with the Site or Condominium Project.

(4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Site under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant.

No residence shall be hereafter constructed on any Site of less than the following sizes of finished living areas as calculated on exterior dimensions, exclusive of porches, patios, garages and basements:

(a) A one story dwelling shall have no less than 1,500 square feet of living area on the ground floor, above grade.

(b) A two story dwelling shall have no less than 900 square feet of living area on the main ground floor, above grade, and an aggregate living area no less than 1,825 square feet.

(c) A one and one-half story dwelling shall have no less than 1,200 square feet of living area on the ground floor, above grade, and an aggregate living area no less than 1,800 square feet.

(d) A bi-level dwelling shall have no less than 1,400 square feet of living area on the upper level, above grade, and an aggregate of living area no less than 2,000 square feet.

(e) A tri-level or quad-level dwelling shall have no less than 1,600 square feet on the top two levels, above grade, and an aggregate living area no less than 2,000 square feet.

All structures shall be erected upon a foundation (which may be exposed up to fifteen (15) inches above grade) constructed on suitably permanent material extending below the frost line. Rear of walkouts should be bricked or sided to within fifteen (15) inches of the Site's finish grade. Sloping roof pitches are to be a minimum of 6/12 for functional and aesthetic reasons. Only new materials and no used materials shall be used in the construction of a residential structure. No aluminum siding shall be installed on a residential structure. Vinyl siding, approved by Developer, can be used. Neither mobile homes nor modular homes may be constructed, erected or placed on any Site. No structure shall be occupied as living quarters unless and until said structure shall be completed, including exterior staining or painting, according to approved plans and until a temporary or permanent occupancy permit has been issued by the governmental unit having jurisdiction over the construction and use of such structure. During construction and upon completion, the Site shall be kept free and clean of construction debris and rubbish and an orderly and neat appearance shall be maintained. Within sixty (60) days after substantial completion of construction of a residential structure, all unused construction materials, equipment and supplies shall be removed from the site. Areas of the Site disturbed by excavation and construction work shall be finish-graded and seeded, sodded or

otherwise suitably landscaped as soon as construction activities and weather permits. All driveways shall be surfaced with concrete or bituminous paving with suitable sub-base support. The grading, installation and paving of driveways shall be completed within a one-year period after occupancy of a residential structure, weather permitting. If a disagreement on the guidelines set forth in this paragraph should arise, the decision of Developer shall be final and binding upon all persons to whom these restrictions may apply.

The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all Co-owners (except as Developer may make exceptions hereto under Section 22 of this Article VI). Developer's rights under this Article VI, Section 3 may, in Developer's discretion, be assigned to the Association or other successor to, Developer.

Section 4. Alterations and Modifications of Sites and Common Elements. No Co-owner shall make alterations, modifications or changes to the exteriors (including paint colors) of any structures constructed within any of the Sites (as opposed to the interior of the dwelling located within the Site), or to any of the Common Elements without the express written approval of the Board of Directors (and the Developer during the Development and Sales Period), which approvals shall not be unreasonably withheld (but may be reasonably conditioned) including without limitation, the erection of antennas of any sort (including dish antenna aerials, awnings, flag poles or other exterior attachments or modifications. No swing sets or playground equipment shall be placed in front or side yards. No attachment, appliance or other item may be installed which is designed to kill or repel insects or other animals by light or which emits a humanly audible sound. No Co-owner shall in any way restrict access to any utility line, or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way.

Section 5. Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Site or upon the Common Elements 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 occur in or on the Common Elements or in any Site at any time and disputes among Co-owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the Association. No Co-owner shall do or permit anything to be done or keep or permit to be kept in the Co-owner's Site or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: any activity involving the use of firearms, air rifles, pellet guns, BB guns, bows and arrows, or other similar dangerous weapons, projectiles or devices. Migratory birds and fowl in a state of nature shall not be killed or injured by any person.

Section 6. Animals. Co-owners may maintain a maximum of three common domestic pets. No other pets or animals shall be maintained by any Co-owner unless specifically approved in writing by the Association which consent, if given, shall be revocable at any time for infraction of the rules with respect to animals. All animals kept within the

Condominium Premises shall be maintained in strict accordance with City requirements and each Co-owner shall obtain from the City any permit or approval required by law for the maintenance of any animal for which such Co-owner is responsible. No animal may be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the General Common Elements or upon any Site other than its Owner's Site and any animal shall at all times be leashed and attended by some responsible person while on the General Common Elements. Any dog runs or other pet enclosures shall be approved in accordance with Section 3 of this Article VI. 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 which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given its permission therefore. Each Co-owner shall be responsible for 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 an obnoxiously continuing basis shall be kept in any Site or on the Common Elements even if permission was previously granted to maintain the pet on the premises. The Association may, without liability to the owner thereof, cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the Board of Directors of the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted rules and regulations of the Association.

Section 7. Aesthetics. The Common Elements and all Sites 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. Waste shall be kept in covered sanitary containers. Trash receptacles shall be maintained in garages, utility rooms, basements or other approved areas designated therefore at all times and shall not be permitted to remain elsewhere or anywhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in the Co-owner's Site or upon the Common Elements, which is detrimental to the appearance of the Condominium. Without written approval by the Association, no Co-owner shall materially change in any way the exterior appearance of the residence and other improvements and appurtenances located within the Co-owner's Site. Thus, in connection with any maintenance, repair, replacement, decoration or redecoration of such residence, improvements or appurtenances, no Co-owner shall substantially modify the design, material or color of any such item which is visible from a Common Element or other Site without the approval of the Developer (during the Development and Sales Period) or the Association (after the Association receives architectural control as provided in these Bylaws).

Section 8. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles, other than automobiles or vehicles used primarily for general personal

transportation purposes, may be parked or stored on the Sites unless they are stored within garages. The Developer shall have the right to make reasonable exceptions to this requirement and to impose conditions as to screening and limitation of visibility in connection therewith. All vehicles shall be parked in garages to the extent possible. Garage doors shall be kept closed when not in use. No inoperable vehicles of any type may be brought or stored upon the Condominium Premises either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. The Association may make reasonable rules and regulations in implementation of this Section including exceptions to garage storage requirements if other adequate screening is provided. The purpose of this Section is to accommodate reasonable Co-owner parking but to avoid unsightly conditions which may detract from the appearance of the Condominium as a whole, and to assure that all vehicles and recreational or construction type equipment are not to be visible from the roadway, other Sites or the General Common Elements.

Section 9. Advertising and Signs. No signs or symbols of any kind shall be displayed which are visible from another Site or on the Common Elements, including "For Sale" signs, without written permission from the Association and, during the Development and Sales Period, from the Developer. After the Development and Sales Period, one sign, not exceeding six (6) feet in area advertising a Site for sale, may be displayed so long as it conforms to the rules and regulations of the Association relative thereto with regard to size, shape, color, placement and such other criteria as the Association may deem appropriate. All such permitted signs must be maintained in good condition and shall be removed immediately after termination of their immediate use. Garage sales shall be conducted, if at all, only in accordance with such uniform rules and regulations as may be prescribed by the Board of Directors which shall have the authority to prohibit such sales entirely if deemed in the best interests of the Association.

Section 10. Rules and Regulations. It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners.

Section 11. Right of Access of Association. The Association or its duly authorized agents shall have access to each Site from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary to carry out any responsibilities imposed on the Association by the Condominium Documents. The Association or its agents shall also have access to Sites as may be necessary to respond to emergencies. The Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to the Co-owner's Site caused thereby. If an emergency does not prevail, then the Association shall not have the right to enter within any Site without permission of the Owner which permission shall not be unreasonably withheld. This provision shall not be construed to permit access to the interiors of residences or other structures.



Section 12. Landscaping. No Co-owner shall perform any landscaping or earth moving or plant any trees, shrubs or flowers or place any ornamental materials upon the General Common Elements without the prior written approval of the Association and, during the Development and Sales Period, the Developer. All yard areas shall be maintained in a healthy and acceptable manner as specified in standards set by the Association.

Section 13. Common Element Maintenance. Sidewalks, yards, landscaped areas, driveways, and parking areas shall not be obstructed nor shall they be used for purposes other than that for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions may be left unattended on or about the General Common Elements.

Section 14. Co-owner Maintenance. Each Co-owner shall maintain the Co-owner's Site for which he or she has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other Common Elements which are appurtenant to or which may affect any other Site. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by the Co-owner, or the Co-owner's family, guests, contractors, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Each individual Co-owner shall indemnify the Association and all other Co-owners against such damages and costs, including attorneys' fees, and all such costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 15. Reserved Rights of Developer.

(a) Prior Approval by Developer. During the Development and Sales Period, no buildings, fences, walls, retaining walls, drives, walks or other structures or improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alteration to any structure be made (including in color or design), except interior alterations which do not affect structural elements of any dwelling, nor shall any hedges, trees or substantial plantings or landscaping modifications be made, until plans and specifications, acceptable to the Developer, showing the nature, kind, shape, height, materials, color-scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by Developer, their successors or assigns, and a copy of said plans and specifications, as finally approved, lodged permanently with the Developer (subject, however, to the review and approval provisions of Section 3 of this Article VI). The Developer shall have the right to refuse to approve any such plan or specifications, or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans, specifications, grading or landscaping, it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to

effect the same, and the degree of harmony thereof with the Condominium as a whole. The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all Co-owners.

(b) Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Development and Sales Period or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, Developer shall have the right to maintain a sales office, model units, mobile trailer used as a sales office, advertising display signs, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Condominium as may be reasonable to enable development and sale of the entire Condominium by the Developer and may continue to do so during the entire Development and Sales Period.

(c) Enforcement of Bylaws. The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then the Developer, or any person to whom it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws throughout the Development and Sales Period which right of enforcement shall include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

Section 16. Setbacks. Each dwelling constructed in Trotters Pointe shall be built within building setback or envelope lines as, depicted on the City-approved Site Plan for the Condominium which lines reflect the building setback requirements imposed by the City zoning ordinances and, to some extent by the Developer. In certain instances, the Developer has required or may, in the future, impose more stringent standards than the setback requirements of the City. There shall be no deviations from the foregoing except as specifically approved by the City to any extent required by its ordinances and/or by the Developer (during the Development and Sales Period and by the Association thereafter), as each individual case may require. The Developer shall not be subject to this provision except as City approvals may be required for any deviations or variances from City imposed minimums.

Section 17. Tree Preservation. No Co-owner shall cut down or trip any tree located on the Condominium Premises which has a diameter of 12 inches or more measured at ground level without the prior written approval of the Association and, during the Development and Sales Period, the Developer. No trees in a General Common Element area may be trimmed, cut or used as an integral part of a fence without Association approval in writing. Each tree removed

or trimmed in violation of this provision shall constitute a separate violation and shall subject the offending Co-owner to fines as set forth in Articles XIX and XX of these Bylaws. This provision shall apply to any tree located within the Condominium Premises, whether within any Site or upon the Common Elements. This provision shall not apply to the Developer and its assigns during the Development and Sales Period except that the Developer, the Association and all Co-owners shall comply with any ordinances of the City, including woodlands regulations, which are applicable from time to time to the Condominium Premises.

Section 18. Non-Disturbance of Wetlands. Certain portions of the land within the Condominium are wetlands which are protected by federal and state law. Under the provisions of the Goemaere-Anderson Wetland Protection Act, Public Act No. 203 of 1979, any disturbance of a wetland by depositing material in it, dredging or removing material from it or draining water from the wetland may be done only after a permit has been obtained from the Department of Natural Resources or its administrative successor. The penalties specified in the Goemaere-Anderson Wetland Protection Act are substantial. In order to assure no inadvertent violation of the Goemaere-Anderson Wetland Protection Act occur, no Co-owner may disturb the wetland depicted on the Condominium Subdivision Plan without obtaining: (1) written authorization of the Association; (2) any necessary municipal permits; and (3) any necessary state permits. The Association may assess fines and penalties as provided for in these Bylaws for violation of this Section. The Association shall likewise be bound by and comply with this Section.

Section 19. Swimming Pools. Subject to any approvals and/or permits which may be required to be obtained from any public authority having jurisdiction, in-ground swimming pools may be installed in rear yard areas but only upon specific written approval of the Developer based upon plans and specifications therefore. Such approval shall not be unreasonably withheld but may be reasonably conditioned upon compliance with adequate screening and other aesthetic requirements.

Section 20. Maintenance and Use of Open Space Areas. The Association shall undertake and/or supervise and control any programs of use, maintenance or restoration of the Open Space Areas which it determines to be appropriate to preserve the desirable features of the natural environment or restore previously existing features of the environment of the Open Space Areas which may have deteriorated. Any maintenance or restoration shall be conducted after the approval, if applicable, of the Michigan Department of Natural Resources, the City or as otherwise required by applicable law, including the Goemaere-Anderson Wetland Protection Act, P.A. 1979 No. 203, and the Inland Lakes and Streams Act of 1972, P.A. 1972 No. 346, as amended, or their successor enactments. The following uses and practices, though not an exhaustive recital of consistent uses and practices, are consistent with the intent and the purpose of the City's Open Space Community Ordinance and are desirable and not precluded, prevented or limited by it:

- (a) The establishment of a system of trails constructed through or over Wetlands or Wetland Buffer Areas (subject, as to Wetlands, the approval of the Michigan Department of Natural Resources as provided in applicable law) over portions of the Open Space Areas, in a manner which protects the Open Space Areas' environment but

permits persons walking through the trail system to enjoy the Open Space Areas through the low–impact activities of hiking and observation;

(b) The use by all Co–owners of the Open Space Areas for passive recreation, hiking along the trail system established or to be established through the Open Space Areas, picnicking and observing in designated spots within the Open Space Areas for active recreational pursuits;

(c) The removal of dead or dying vegetation and debris within the Open Space Areas so that the enjoyment of the Open Space Areas by the Owners may be enhanced, and, if considered desirable by the Association, to replace any removed vegetation with native plant materials.

The following uses and practices, though not an exhaustive recital of inconsistent uses and practices, are inconsistent with the intent and the purposes of the Open Space Community Ordinance and are therefore prohibited:

(d) Any commercial or industrial use or activity within the Open Space Areas;

(e) The construction of any buildings, structures or other improvements, including utility poles, except in connection with the construction of a trail system provided for herein, an elevated Gazebo and Viewing Platform as provided in the Master Deed;

(f) The dumping or other disposal of any refuse in the Open Space Areas;

(g) Any use or activity that causes or presents a substantial risk of causing soil erosion;

(h) The cutting of live trees or other plant materials, except as necessary to control or prevent imminent fire hazard or to restore natural habitat areas or promote native vegetation;

(i) The construction, maintenance or erection of any signs or billboards within the Open Space Areas, except for non–obtrusive trail signs of a type and character consistent with a system of nature trails;

(j) The use of off–road vehicles, whether self–propelled or powered by engines;

(k) The filling, dredging or diking of Wetlands or Wetland Buffer Areas;

(l) Chemical spraying of emergent wetland vegetation except to protect native plant materials; and

(m) The introduction of non–native plant or animal species which may compete with or result in the decline or elimination of native species of plants and animals.

Developer and the Association shall have the right to construct a system of trails through the Open Space Areas at locations and with materials and construction methods approved by the City the purpose of which shall be to provide the Owners and their families with a ready means of access to enjoy the Open Space Areas in the passive recreational way intended and thereby to improve the quality of life within the Condominium. During the Development and Sales Period, the Developer shall be entitled to make such changes within the Open Space Areas as Developer may determine in Developer’s sole discretion without approval by any Co–owner or mortgagee and subject only to approval by the City, the Michigan Department of Natural Resources and any other public agency having jurisdiction.

Section 21. Maintenance of Yards and Lawns.

(a) Yards and Lawns. All yard areas within Sites (unless such a Site has not been built upon) shall be well maintained in accordance with Approval landscaping plans and in keeping with such rules and regulations as may be promulgated from time to time by the Developer and the Association. The size and nature of Sites in Trotters Pointe dictate that, in some instances, it will be aesthetically acceptable to maintain vegetation other than well maintained lawns on portions of a Site. The Developer and the Association shall be entitled to require that a well maintained lawn be installed in certain areas of Sites as shall be reasonable under the circumstances and compatible with the nature of Trotters Pointe in general, in light of the fact that the Condominium is intended to be a first–class residential development, albeit of a suburban character. Well maintained lawns shall be deemed to be lawns which are regularly cut to a uniform height appropriate for such grass in a first–class residential development, and are trimmed and edged to preserve a neat, groomed and cared–for appearance in the Condominium. The Developer may also specify time periods within which lawns shall be installed. At a minimum, each Co–owner shall be required to install a lawn and otherwise reasonably landscape his Site, including installation of trees and shrubs, within six months (with reasonable extensions for inclement weather) after issuance of a certificate of occupancy with respect to any dwelling constructed within the Co–owner’s Site. Types of trees allowed, but not by way of limitation, are Norway Maple, Crimson Maple, White Oak, Red Oak, Mountain Ash and Honey Locust. It shall be the responsibility of each Co–owner install maintain a sidewalk parallel to the road in compliance with City requirements and at such location with respect to each adjacent unit so as to provide a continuous sidewalk. Each Co–owner’s responsibility shall extend to maintaining the area in the General Common Element right–of–way lying between the Co–owner’s Site and the road pavement within the right–of–way.

The Developer, during the Development and Sales Period, and the Board of Directors thereafter, may require Owners of Sites on which dwellings have not been built to mow the weeds or vegetation on the Sites up to twice a year. One mowing may be required in the late spring or early summer after initial growth has subsided; a second mowing may be required in the mid–to late fall after the growing season has ended. The Developer, during the Development

and Sales Period, and the Association thereafter, may also elect to require mowing of yard areas after a home has been constructed if it deems appropriate.

(b) Enforcement. If any of the provisions in this Section 21 are violated by the Co-owner or the Co-owner's representatives or if there is a failure to comply, the Developer or Association may hire workmen and buy materials necessary to cure the violation and may charge the Co-owner the actual expense incurred for such violations plus an administrative fee to cover the expenses attendant in correcting the damage resulting from the violation of these provisions and to help defray the extra expenses incurred by the Developer and the Association in undertaking the necessary repairs and the supervision of such repairs. The Developer and the Association shall also have available all remedies set forth in these Bylaws and under Michigan law, including the right to assess fines, the right to place a lien on the Site and such equitable relief as may be reasonable and appropriate.

Section 22. General. The purpose of this Article VI is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development and shall be binding upon all Co-owners. The Developer may, in the Developer's sole discretion waive, at any time during the Development and Sales Period, any part of the Restrictions set forth in this Article VI due to unusual topographic, natural or aesthetic considerations or other circumstances which the Developer deems compelling. Any such waiver must be in writing and shall be limited to the Site to which it pertains and shall not constitute a waiver as to enforcement of the restrictions as to any other Site. Developer's rights under this Article VI may, in Developer's discretion, be assigned to the Association or other successor to Developer. Developer may construct any improvements upon the Condominium Premises that Developer may, in Developer's sole discretion, elect to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium Documents.

## ARTICLE VII

### MORTGAGES

Section 1. Notice to Association. Any Co-owner who mortgages the Co-owner's Site shall notify the Association of the name and address of the mortgagee at closing and shall further notify the Association of any subsequent mortgagee acquiring an interest in the Co-owner's Site. The Association shall maintain such information in a book entitled "Mortgages of Sites". The Association may, at the written request of a mortgagee of any such Site, report any unpaid assessments due from the Co-owner of such Site. The Association shall give to the holder of any first mortgage covering any Site in the Condominium written notification of any default in the performance of the obligations of the Co-owner of such Site that is not cured within 60 days. If a Co-owner fails to provide the information required in this Section the Association may charge the Co-owner for any costs it incurs in collecting the information for its records and the costs incurred may be collected from the Owner in the same manner as assessments are collected under these Bylaws.

Section 2. Insurance. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the General Common Elements of the Condominium with extended coverage, and against 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 Site 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 vote for each Condominium Site owned.

Section 2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he or she has presented evidence of ownership of a Site in the Condominium Project to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. 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 VIII below or by a proxy given by such individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members. At and after the First Annual Meeting the Developer shall be entitled to one vote for each Site which it owns. If, however, the Developer elects to designate a Director (or Directors) pursuant to its rights under Article XI; it shall not then be entitled to also vote for the non-developer Directors.

Section 3. Designation of Voting Representative. Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name and address of the individual representative designed, the number or numbers of the Condominium Site or Sites owned by the Co-owner, and the name and address of each person, firm corporation, partnership, association, trust or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided.

Section 4. Quorum. The presence in person or by proxy of 35% 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 required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by

proxy shall be counted in determining the presence of, a quorum with respect to the question upon which the vote is cast.

Section 5. Voting. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than 50% of those qualified to vote and present in person or by proxy (or written vote if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth.

## ARTICLE IX

### MEETINGS

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Sturgis' Code of Parliamentary Procedure, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by the Developer and may be called at any time after more than 50% of the Sites in Trotters Pointe have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to non-developer Co-owners of 75% of all Sites or 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Site in the Condominium, whichever first occurs. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least 10 days' written notice thereof shall be given to each Co-owner.

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held on the third Tuesday of March each succeeding year after the year in which the First Annual Meeting is held, at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than 8 months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these



Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by 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 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least 10 days but not more than 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. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 6. Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section 7. Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspectors of election (at annual meetings or special meetings held for the purpose of electing Directors or officers); (g) election of Directors (at annual meeting or special meetings held for such purposes); (h) unfinished business; and (i) new business. Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary and Treasurer.

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall, be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which

would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 9. Consent of Absentees. The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy; and if either before or after the meeting, each of the members not present in person or by proxy signs a written waiver of notice or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. Minutes: Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to 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

### ADVISORY COMMITTEE

Within one year after conveyance of legal or equitable title to the first Site in the Condominium to a purchaser or within 120 days after conveyance to purchasers of one-third (1/3) of the Sites which may be created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least three non-developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the other Co-owners and to aid in the transition of control of the Association from the Developer to purchaser Co-owners. The Advisory Committee shall cease to exist automatically when the non-developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

## ARTICLE XI

### BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors shall be comprised of 3 members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation.

Section 2. Election of Directors

(a) First Board of Directors. The first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-developer Co-owners to the Board. Elections for non-developer Co-owner Directors shall be held as provided in subsections (b) and (c) below.

(b) Appointment of Non-developer Co-owners to Board Prior to First Annual Meeting. Not later than 120 days after conveyance of legal or equitable title to non-developer Co-owners of 25% of the Sites, one of the three Directors shall be selected by non-developer Co-owners. When the required number of conveyances has been reached, the Developer shall notify the non-developer Co-owners and request that they hold a meeting and elect the required Director. Upon certification by the Co-owners to the Developer of the Director so elected, the Developer shall then immediately appoint such Director to the Board to serve until the First Annual Meeting of members unless he or she is removed pursuant to Section 7 of this Article or he or she resigns or becomes incapacitated.

(c) Election of Directors At and After First Annual Meeting.

(1) Not later than 120 days after conveyance, of legal or equitable title to non-developer Co-owners of 75% of the Sites, the non-developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least one Director as long as it owns and offers for sale at least 10% of the Sites that may be created in the Condominium. Such designee, if any, shall be one of the total number of Directors referred to in Section 1 above. Whenever the required conveyance level is achieved, a meeting of Co-owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

(2) Regardless of the percentage of Sites which have been conveyed, upon the expiration of 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Site in the Condominium, the non-developer Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Sites they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Sites which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subparagraph (1). Application of this subparagraph does not require a change in the size of the Board of Directors.

(3) If the calculation of the percentage of members of the Board of Directors that the non-developer Co-owners have the right to elect under subsection 2(b) and subparagraph (c)(1), or if the product of the number of members of the Board of Directors multiplied by the percentage of Sites held by the non-developer Co-owners under subparagraph (c)(2) results in a right of non-developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-developer Co-owners

have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate one Director provided in subsection (c)(1).

(4) At the First Annual Meeting, two Directors shall be elected for a term of two years and one Director shall be elected for a term of one year. At such meeting all nominees shall stand for election as one slate and the two persons receiving the highest number of votes shall be elected for a term of two years and the person receiving the next highest number of votes shall be elected for a term of one year. At each annual meeting held thereafter, either one or two Directors shall be elected depending upon the number of Directors whose terms expire. After the First Annual Meeting, the term of office (except for one of the Directors elected at the First Annual Meeting) of each Director shall be two years. The Directors shall hold office until their successors have been elected and hold their first meeting.

(5) Once the Co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-owners to elect Directors and conduct other business shall be held in accordance with the provisions of Article IX, Section 3 hereof.

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners.

Section 4. Other Duties. In addition to the foregoing duties imposed by these Bylaws or any further duties 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 administer the affairs of and to maintain the Condominium Project and the General Common Elements thereof..

(b) To levy and collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.

(c) To carry insurance and collect and 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 Project.

(f) To acquire, maintain and improve; and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Site in the

Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association, provided however, that any such action shall also be approved by affirmative vote of 75% of all of the members of the Association.

(h) To make rules and regulations in accordance with Article VI, Section 10 of these Bylaws.

(i) 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 the Condominium Documents required to be performed by the Board.

(j) To enforce the provisions of the Condominium Documents.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, 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, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than 3 years or which is not terminable by the Association upon 90 days' written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act. No management contract shall be entered into by the Association where the management fee to be charged to the Association is in excess of five (5%) percent of the total budget, exclusive of reserves for repair and replacement of the common elements.

Section 6. Vacancies. Vacancies in the Board of Directors which occur after the Transitional Control Date 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, except that the Developer shall be solely entitled to fill the vacancy of any Director whom they are permitted in the first instance to designate. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the members of the Association. Vacancies among non-developer Co-owner elected Directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Co-owners and shall be filled in the manner specified in Section 2(b) of this Article.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than 50% of all of the Co-owners qualified to vote and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal 35% requirement set forth in Article VIII, Section 4. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time or from time to time in its sole discretion. Likewise, any Director selected by the non-developer Co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

Section 8. First Meeting. The first meeting of a newly elected Board of Directors shall be held within 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 Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by mail, telephone or telegraph, at least 10 days prior to the date named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on 3 days' notice to each Director given personally, by mail, telephone, telecopy or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two Directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by him or her 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, majority of the Directors 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 be less than a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon 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. First Board of Directors. The actions of the first Board of Directors of the Association or any successors thereto selected or elected before the Transitional Control Date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium Documents.

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

## ARTICLE XII

### OFFICERS

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

(a) President. The President shall be the chief-executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Directors. He or she 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 he or she may in his or her discretion deem appropriate to assist in the conduct of the affairs of the Association.

(b) Vice President. The Vice President shall take the place of the President and perform his or her 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 him or her by the Board of Directors.

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

(d) Treasurer. The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all

receipts and disbursements in books belonging to the Association. He or she 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 2. Election. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

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

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

### ARTICLE XIII

#### SEAL

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

### ARTICLE XIV

#### 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. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Site in the Condominium shall be entitled to receive a copy of such annual audited financial statement within 90 days following the end of the Association’s fiscal year upon request therefore. The costs of any such audit and any accounting expenses shall be expenses of administration.



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

Section 3. Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or equivalent insurer and may also be invested in interest-bearing obligations of the United States Government.

## ARTICLE XV

### INDEMNIFICATION OF OFFICES AND DIRECTORS

Every director and 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 him in connection with any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether form or informal, to which he or she may be a party or in which he or she may become involved by reason of his or her being or having been a director or officer of the Association, whether or not he or she is a director or officer at the time such expenses are incurred, except as otherwise prohibited by law; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Association (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten days prior to payment of any indemnification which it has approved, the Association shall notify all Co-owners thereof. Further, the Association is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

## ARTICLE XVI

### AMENDMENTS

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

Section 2. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these Bylaws.

Section 3. Voting. These Bylaws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than 66-2/3% of all Co-owners. No consent of mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of 66-2/3% of the first mortgagees shall be required, with each mortgagee to have one vote for each first mortgage held.

Section 4. By Developer. Prior to the Transitional Control Date, these Bylaws may be amended by the Developer without approval from any other person so long as any such amendment does not materially alter or change the right of a Co-owner or mortgagee.

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

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

Section 7. Consent of City. Anything herein to the contrary notwithstanding, the provisions of Article II, Section 2(b); Article V, Section 1(a), Article VI, Sections 1, 3, 6, 16, 17, 18, and 20 and this Article XVI, Section 7 shall not be amended without the specific consent of the City.

## ARTICLE XVII

### COMPLIANCE

The Association and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the Condominium in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Site 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.

## ARTICLE XVIII

### DEFINITIONS

All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

## ARTICLE XIX

### REMEDIES FOR DEFAULT

Any default by a Co-owner shall entitle the Association or another Co-owner or Co-owners to the following relief:

Section 1. Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

Section 2. Recovery of Costs. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees (not limited to statutory fees) as may be determined by the court, but in no event shall any Co-owner be entitled to recover such attorney's fees.

Section 3. Removal and Abatement. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements or into any Site (but not into any dwelling or related garage), where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

Section 4. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless in accordance with the provisions of Article XX hereof.

Section 5. Non-waiver 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 6. Cumulative Rights, Remedies and Privileges. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising

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

Section 7. Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

## ARTICLE XX

### ASSESSMENT OF FINES

Section 1. General. The violation by any Co-owner, occupant or guest of any provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of the Co-owner's personal actions or the actions of the Co-owner's family, guests, tenants or any other person admitted through such Co-owner to the Condominium Premises.

Section 2. Procedures. Upon any such violation being alleged by the Board, the following procedures will be followed:

(a) Notice. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Article VIII, Section 3 of these Bylaws.

(b) Opportunity to Defend. The offending Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting but in no event shall the Co-owner be required to appear less than 20 days from the date of the Notice.

(c) Default. Failure to respond to the Notice of Violation constitutes a default.

(d) Hearing and Decision. Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or, in the event of the Co-owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

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

- (a) First Violation. No fine shall be levied.
- (b) Second Violation. Twenty-Five Dollar (\$25.00) fine.
- (c) Third Violation. Fifty Dollar (\$50.00) fine.
- (d) Fourth Violation and Subsequent Violations. One Hundred Dollar (\$100.00) fine.

This schedule of fines may be changed by the Board of Directors by a resolution of the Board. Notwithstanding anything stated in these Bylaws to the contrary, a change in this schedule of fines may be made by Board resolution and will not require that an amendment to these Bylaws be adopted or recorded. Furthermore, should the Board of Directors adopt an appropriate resolution, this schedule of fines may escalate to keep pace with adjustments to the Consumer Price Index as announced by the Bureau of Labor Statistics which Index shall be the Index published to the metropolitan statistical area in which the Condominium is located.

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

## ARTICLE XXI

### RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove an act, use, or proposed action or any other matter or things, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and power reserved or granted to the Developer or its successors shall terminate, if not sooner assigned to the Association, at the conclusion of the Development and Sales period as Defined in Article II of the Master Deed. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve and control the Administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause

the termination of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

## ARTICLE XXII

### SEVERABILITY

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

ARTICLES OF INCORPORATION

MICHIGAN NON-PROFIT CORPORATION

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned execute the following Articles:

ARTICLE I

The name of the corporation is Trotters Pointe Homeowners Association.

ARTICLE II

The purposes for which the corporation is organized are:

(a) To manage and administer the affairs of and to maintain Trotters Pointe, a condominium (hereinafter called "Condominium") established by Master Deed recorded on December 13, 1995, in Liber 15880, Pages 661 through 747, Oakland County Records, as the same may be amended from time to time;

(b) To levy and collect assessments against and from the Co-owner members of the corporation and to use the proceeds thereof for the purposes of the corporation;

(c) To carry insurance and to collect and allocate the proceeds thereof;

(d) To rebuild improvements after casualty;

(e) To contract for and employ persons, firms, or corporations to assist in management, operation, maintenance, and administration of the Condominium;

(f) To make and enforce reasonable regulations concerning the use and enjoyment of the Condominium;

(g) To own, maintain and improve, and to buy, or operate, manage, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, (including Condominium units, easements, rights-of-way and licenses) on behalf of the corporation, for the purpose of providing benefit to the members of the corporation and in furtherance of any of the purposes of the corporation;

(h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;

(i) To enforce the provisions of the Master Deed and Bylaws of the Condominium, and the provisions of these Articles of Incorporation and such bylaws and rules and regulations of the corporation as may hereafter be adopted;

(j) To do anything required of or permitted to it as administrator of the Condominium by the Condominium Master Deed or Bylaws or by the Michigan Condominium Act;

(k) To make and perform any contract and to exercise all powers necessary, incidental or convenient to the Administration, management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes thereof.

### ARTICLE III

The corporation is organized upon a nonstick, membership basis.

The assets of the corporation are:

Real Property:	None
Personal Property:	None

The corporation is to be financed under the following general plan:

Assessment of members owning units in the Condominium.

### ARTICLE IV

The address of the registered office is:

30840 Northwestern Highway  
Suite 270  
Farmington Hills, Michigan 48334

The mailing address of the registered office is the same as above.

The name of the first resident agent at the registered office is:

Gilbert ("Buzz") Silverman

### ARTICLE V

The names and business addresses of the incorporator is:

Kevin M. Kohls  
Honigman Miller Schwartz and Cohn  
2290 First National Building  
Detroit, Michigan 48226

### ARTICLE VI

The term of the corporate existence is perpetual.



## ARTICLE VII

The qualifications of members, the manner of their admission to the corporation, the termination of membership, and voting by the members shall be as follows:

(a) Each Co-owner (including the Developer named in the Condominium Master Deed) of a unit in the Condominium shall be a member of the corporation, and no other person or entity shall be entitled to membership, except that the subscriber hereto shall be a member until such time as his membership shall terminate, as hereinafter provided.

(b) Membership in the corporation (except with respect to the incorporator, who shall cease to be a member upon the qualification of membership of any Co-owner) shall be established by the acquisition of fee simple to a unit in the Condominium and by recording with the Register of Deeds in the County where the Condominium is located a deed or other instrument establishing a change of record title to such unit and the furnishing of evidence of same satisfactory to the corporation, the new Co-owner thereby becoming a member of the corporation, and the membership of the prior Co-owner thereby being terminated. The Developer of the Condominium shall become a member of the corporation immediately upon establishment of the Condominium. Land contract vendees of units shall be members if the land contract instrument expressly conveys the vendor's interest as a member of the corporation in which event the vendor's membership shall terminate as to the unit sold.

(c) The share of a member in the funds and assets of the corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to the member's unit in the Condominium.

(d) Voting by members shall be in accordance with the provisions of the bylaws of this corporation.

## ARTICLE VIII

A volunteer director (as defined in Section 110 of Act 162, Public Acts of 1982, as amended) of the corporation shall not be personally liable to the corporation or its members for monetary damages for breach of the director's fiduciary duty arising under any applicable law. However, this Article shall not eliminate or limit the liability of a director for any of the following:

- (1) A breach of the director's duty of loyalty to the corporation or its members.
- (2) Acts or omission not in good faith or that involve intentional misconduct or a knowing violation of law.
- (3) A violation of Section 551(1) of Act 162, Public Acts of 1982, as amended.
- (4) A transaction from which the director derived an improper personal benefit.

(5) An act or omission occurring before the date this document is filed.

(6) An act or omission that is grossly negligent.

Any repeal or modification of this Article shall not adversely affect any right or protection of any director of the corporation existing at the time of, or for or with respect to, any acts or omissions occurring before such repeal or modification.

#### ARTICLE IX

These Articles of Incorporation may only be amended by the affirmative vote of two-thirds (2/3's) of all members of the corporation.

Signed this 1<sup>st</sup> day of August, 1996.

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KEVIN M. KOHLS