

EXHIBIT "A"

TO THE CONSOLIDATING MASTER DEED
OF HERITAGE VILLAGE

BYLAWS OF HERITAGE VILLAGE CONDOMINIUM

ARTICLE I ASSOCIATION OF CO-OWNERS

Heritage Village of Swartz Creek, a residential site Condominium Project located in the City of Swartz Creek, Genesee County, Michigan, is administered by an Association of Co-owners which is a Michigan nonprofit corporation (the "Association") responsible for the management, maintenance, operation administration of the Common Elements, easements and affairs of the Project in accordance with the Master Deed, Bylaws and Subdivision Plan (collectively, 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 Bylaws provided for under the Michigan Nonprofit Corporation Act. The terms "Master Deed" or "Consolidating Master Deed" may be used at various places throughout this document, as applicable. "Master Deed" shall refer to the original Master Deed, recorded on October 29, 2002 as Instrument No. 2002-10290121507, Genesee County Records; "Consolidating Master Deed" shall refer to the document which consolidates and restates all previous versions of the Master Deed. This set of Bylaws is Exhibit A to the Consolidating Master Deed.

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 his/her Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, the Consolidating Master Deed and other Condominium Documents for the Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Project. All Co-owners in the Project and all persons using or entering upon or acquiring any interest in any Unit or Common Elements shall be subject to the provisions and terms set forth in the Condominium Documents.

ARTICLE II RESTRICTIONS

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

Section 1. Residential Use. No Unit in the Condominium shall be used for other than residential purposes and the common elements shall be used only for purposes consistent with single-family residential use. No building of any kind shall be erected within a Unit except one private residence and a shed as described below.

Section 2. Architectural Control.

- A. Review Committee. The Board of Directors may appoint an architectural review committee (the Review Committee). If the Board of Directors does not appoint a Review Committee, the Board of Directors will perform its function. The mission of the Review Committee is to ensure that all plans submitted for review, and all subsequent exterior changes or modifications, meet the criteria established in the design standards. The design standards for the Project are intended to provide a compatible and harmonious neighborhood image.
- B. Architectural Review. No residence, structure, or other improvements shall be constructed on a Unit or elsewhere in the Project and no exterior modification shall be made to any existing residence, structure, or improvement unless plans and specifications containing whatever detail the Review Committee reasonably requires has first been approved in writing by the Review Committee. The Review Committee shall have the right to refuse to approve any plans and specifications, color or material applications, grading or landscaping plans, or building location plans that are not suitable or desirable in its opinion for aesthetic or other reasons. In passing on the plans and specifications, the Review Committee shall have the right to take into consideration the suitability of the proposed structure, improvement, or modification, the site on which it is proposed to be constructed, the proposed location of any improvement within a Unit, the location of structures within adjoining Units and the degree of harmony with the Condominium as a whole. As of the date of adoption of this Consolidating Master Deed, the following standards have been established. These standards are not to be taken or construed as comprehensive. To the contrary, these standards only apply to the topic addressed in each subparagraph:
1. Outbuildings and Landscaping Structures. One shed per Unit up to 10'x 12' in size is allowable, provided it is made of the same building materials as the dwelling house and is architecturally consistent in style and quality with the other facades of the residence. One gazebo, trellis, or arbor is also allowable, provided it is consistent with the style and quality of the residence

2. Fences. Fencing made of vinyl, up to 6' in height is allowed in the back of a house and up to 3' in height in front of a house. "Front" is defined as: from the front of the house to the front Unit line.
3. Swimming Pools. All swimming pools must be fenced so as not to be seen from the street or the common areas. The final layout must be approved by the Association before construction starts.
4. Landscaping. Landscaping must be completed within six (6) months after initial occupancy of the residence.
5. Outdoor Playsets. Outdoor playground equipment shall be located in the rear of residences so as not to be visible from the road. Prior approval is required by the Association.
6. No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any Unit, except that holiday decorations shall be permitted, subject to the Rules and Regulations of the Association as they may from time to time be amended.
7. Written consent of the Review Committee must be obtained prior to the placement, construction, alteration or maintenance of exterior radio or television aerials, antennae, satellite dishes in excess of eighteen (18") inches in diameter or other reception or transmission devices.
8. In connection with any maintenance, repair, replacement, decoration or redecoration of such residence, improvements or appurtenances, no Co-owner shall modify the design, material or color of any item including, without limitation, windows, doors, screens, roofs, siding or any other component which is visible from a common element or other Unit without written approval by the Review Committee.

Section 3. Access. No Co-owner shall restrict access to any utility line or any other element that must be accessible to service the common elements or that affects an Association responsibility in any way.

Section 4. Activities. No improper, unlawful, noxious or offensive activity or an activity that is or may become an annoyance or nuisance to the Co-owners shall be carried on in any Unit or upon the common elements. No unreasonably noisy activity shall occur in or on the common elements or in any Unit at any time. No Co-owner shall do or permit anything to be done or keep or permit to be kept on his/her Unit or on the common elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association. A 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 on his/her Unit, if approved. Activities deemed offensive and 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, burning of trash or leaves, installation or operation of electronic insect killers or operation of flood or other bright lights which are an annoyance to an adjacent resident.

Section 5. Pets. No Animals, other than household pets, shall be maintained by any Co-owner. Those pets shall be cared for and restrained so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be kept or bred for commercial purposes. All animals shall be properly licensed. No animal may be permitted to run loose at any time upon the common elements. All animals shall at all times be leashed and attended by some responsible person while on the common elements. No savage or dangerous animal shall be kept. Any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium hereby indemnifies and holds harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of that animal on the premises, whether or not the Association has given its permission. 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 any frequent or continuing basis shall be kept on any Unit or on the common elements even if permission was previously granted to maintain the pet on the premises. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article V of these Bylaws if the Association determines that assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owner, remove or cause to be removed from the Condominium any animal that it determines to be in violation of the restrictions imposed by section 5 (above). The Association shall have the right to require that any pets be registered with it and may adopt additional reasonable rules and regulations with respect to animals as it deems proper. The Board of Directors of the Association may assess fines for violations of this section in accordance with these Bylaws and in accordance with duly adopted Rules and Regulations of the Association.

Sections 6. Aesthetics. The common elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted Rules and Regulations of the Association. Trash shall be stored out of sight in standard receptacles, and placed at the curb for trash pickup no sooner than the evening before the collection day. Trash receptacles shall be removed as soon as possible after trash collection. If trash containers are stored outside, the storage location must be visually screened and must be approved by the Association in writing. No refuse pile, compost heap or other unsightly or objectionable materials shall be allowed to remain on any Unit. Refuse, ashes, building materials, garbage or debris of any kind shall be treated in a manner that is not offensive or visible to any other Co-owners in the Condominium. Clothesline shall not be used on the common elements or Units. In general, no activity shall be carried on nor condition maintained by a Co-

owner, either on his/her Unit or upon the common elements, that is detrimental to the appearance of the Condominium.

Section 7. Vehicles. No house trailers, recreational vehicles (RVs) trucks, commercial vehicles, boat 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 upon the premises of the Condominium unless in garages. No inoperable vehicles of any type may be stored outdoors under any circumstances. Commercial vehicles and trucks shall not be parked in or about the Condominium except during deliveries or pickups in the course of business. Motorcycles, snowmobiles or vehicles designed primarily for off-road use shall fall under and be subject to the City of Swartz Creek ordinance. The foregoing notwithstanding, the Co-owner of a Unit may store one boat that is registered in his/her or her name on his/her or her Unit or its appurtenant limited common element yard area, for a period of one week in the spring for purposes of summer prepping and one week in the fall for purposes of winterizing.

Section 8. Advertising. No signs or other advertising devices of any kind that are visible from the exterior of a Unit or on the common elements, including any "For Sale" signs other than standard size "For Sale" signs customarily employed by real estate brokers in the City of Swartz Creek shall be displayed without written permission from the Association.

Section 9. Rules and Regulations. 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. Copies of all rules, regulations and amendments shall be furnished to all Co-owners.

Section 10. Right of Access of Association. The Association or its duly authorized agents shall have access to each Unit and its appurtenant Limited Common Elements, during reasonable working hours, upon notice to the Co-owner, as necessary to carry out any responsibilities imposed on the Association by the Condominium Documents. The Association or its agents shall also have access to Units and appurtenant Limited Common Elements as necessary to respond to emergencies. The Association may gain access in any manner reasonable under the circumstances and shall not be liable to a Co-owner for any resulting damage to his/her Unit and appurtenances or Limited Common Elements. This provision, in and of itself, shall not be construed to permit access to the interiors of residences or other structures.

Section 11. Common Element Maintenance. Sidewalks, yards, alleys or lanes, landscaped areas, driveways, and parking areas shall not be obstructed and shall not 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 the common elements.

Section 12. Co-owner Maintenance. Each Co-owner shall maintain his/her Unit and any common elements for which s/he 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. 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 him, or his/her family, guests, agents or invitees, except to the extent those damages or costs are covered and reimbursed by insurance carried by the Association. Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article V.

Section 13. Enforcement of Bylaws. The Association shall have the responsibility and the obligation to enforce the provisions contained in these Bylaws including the restrictions set forth in Article II. The 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 having an interest in the Condominium.

Section 14. Leasing and Rental.

- A. Right to Lease. A Co-owner may lease or sell his/her Unit for the same purposes set forth in Section 1 of this Article II subject to the provisions of subsection (B) below. No Co-owner shall lease less than an entire Unit in the Condominium. No tenant shall be permitted to occupy except under a lease having an initial term of at least twelve months unless 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.
- B. Leasing Procedures. The leasing of Units in the Project shall conform to the following provisions:
 - 1. A Co-owner desiring to rent or lease a Unit, shall disclose that fact in writing to the Association and shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents at least 10 days before presenting a lease form to a potential tenant.
 - 2. Tenants and non-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases shall so state. Each lease form shall state that the Condominium Documents are incorporated by reference and Tenants and non-owner occupants shall be provided with a full copy of the Condominium Documents.
 - 3. If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Condominium Documents, then:

- a. The Association shall notify the Co-owner by mail of the alleged violation by the tenant.
 - b. The Co-owner shall have 15 days after receipt of the notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.
 - c. If after 15 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf an action for 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 common elements caused by the Co-owner or tenant.
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 Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant.

Section 15. Notification of Sale. A Co-owner intending to make a sale of his/her Unit shall notify the Association in writing at least 21 days before the closing date of the sale and shall furnish the name and address of the intended purchaser and other information reasonably required by the Association. The purpose of this section is to enable the Association to be aware at all times of the identities of all persons owning or occupying a Unit and to facilitate communication with them regarding the rights, obligations and responsibilities under the Condominium Documents. Under no circumstances shall this provision be used for purposes of discrimination against any owner, occupant or prospective owner on the basis of race, color, creed, national origin, sex, or any other basis prohibited by law.

Section 16. Incorporation of Rules and Regulations. The Rules and Regulations adopted by the Association, as amended from time to time, are hereby made a part of these Bylaws as if fully set forth in these Bylaws, and may be enforced by the Association as if a part of the Bylaws.

ARTICLE III

RECONSTRUCTION AND REPAIR

Section 1. Association Responsibility for Repair. Immediately after the occurrence of a casualty causing damage to a General Common Element, 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 or after completion of the reconstruction or repair, the funds for the payment of the cost 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 for the estimated or actual cost of repair.

Section 2. Timely Reconstruction and Repair. If damage to the General Common Elements adversely affects the appearance or utility of the Project, the Association shall proceed with replacement of the damaged property without delay.

Section 3. Co-owner's Responsibility. Each Co-owner shall be responsible for all maintenance, repair and replacement required within his/her Unit and appurtenant Limited Common Elements.

Section 4. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

Section 5. Taking of Unit or Improvements Thereon or a Limited Common Element. If all or any portion of a Unit or any improvements on a Unit or a Limited Common Element appurtenant to a Unit is taken by eminent domain, then the award for that taking shall be paid to the Co-owner and mortgagee of the Unit as their interests may appear, despite any contrary provision of the Act. If a Co-owner's entire Unit is taken by eminent domain, then that Co-owner and his/her mortgagee shall, after acceptance of the condemnation award, be divested of all interest in the Project.

Section 6. Taking of General Common Elements. If there is a taking of any portion of the General Common Elements, the condemnation proceeds from that 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 in number and in value shall determine whether to rebuild, repair or replace the portion taken or to take any other action they deem appropriate.

Section 7. Continuation of Condominium After Taking. If the Project continues after a taking by eminent domain, then the remaining portion of the Project shall be resurveyed and the Master Deed amended accordingly. If any Unit has been taken, then Article V of the Master Deed shall also be amended to reflect that taking and to readjust the percentages of value of the remaining Co-owners proportionately, based upon a continuing value of 100% for the Condominium. That amendment may be made by an officer of the Association authorized by the Board of Directors without execution or Approval by any Co-owner.

Section 8. Notification of Mortgagees. If all or part of a Unit or Common Elements is made the subject matter of any condemnation or eminent domain proceeding

or is otherwise sought to be acquired by a condemning authority, then the Association shall promptly notify each institutional holder of a first mortgage on any Unit in the Condominium.

Section 9. Applicability of the Act. To the extent not inconsistent with these Bylaws, Section 133 of the Act shall control upon any taking by eminent domain.

Section 10. 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 Units 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 Units or Common Elements.

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 Project, carry all risk insurance coverage, liability insurance (in a minimum amount to be determined by the Association in its discretion, but in no event less than \$1,000,000 per occurrence), officers' and directors' liability insurance, worker's compensation insurance, if applicable, and any other insurance the Association may deem applicable, desirable or necessary, and pertinent to the ownership, use and maintenance of the General Common Elements. That insurance shall be carried and administered in accordance with the following provisions:

- A. Responsibilities of Association. All insurance shall be purchased by the Association for the benefit of the Association and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of Units.
- B. Insurance of Common Elements. All General Common Elements of the Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, if applicable and appropriate, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, if any, as determined annually by the Board of Directors of the Association. The Association shall not be responsible for maintaining insurance with respect to Limited Common Elements, Units, and structures on and improvements and appurtenances to Units, Limited Common Elements or residences.

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

Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association 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 III 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 that repair or reconstruction.

Section 2. Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Project, shall be deemed to appoint the Association as his/her 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 worker's compensation insurance, if applicable, pertinent to the Project and the General Common Elements, with all insurers that provide insurance for the Project, including the full power and authority to purchase and maintain insurance, to collect and remit premiums, to collect and distribute the proceeds to the Association, the Co-owners and 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 the Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the provisions of this Article.

Section 3. Responsibilities of Co-owners. Each Co-owner shall be responsible for obtaining all risk insurance coverage with respect to the building and all other improvements constructed within the perimeter of Co-owner's Unit and for his/her personal property located on that Unit or elsewhere on the Project. There is no responsibility on the part of the Association to insure any of those improvements whatsoever. Each Co-owner also shall be obligated to obtain insurance coverage for his/her personal liability for occurrences within the perimeter of his/her Unit and appurtenant Limited Common Elements (naming the Association as an additional insured), and also for any other personal insurance coverage that the Co-owner wishes to carry. 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. If a Co-owner fails to obtain or provide evidence of that insurance, then the Association may, but is not required to, obtain that insurance on behalf of the Co-owner, and the premiums for that insurance shall constitute a lien against the Co-owner's Unit and may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article V.

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 and the Association for all damages and costs, including attorney's fees, which the other Co-owner or the Association may suffer as a result of defending any claim arising out of an occurrence on or within that

individual Co-owner's Unit or appurtenant limited common elements and shall carry insurance to secure this indemnity if required by the Association. This section 5 shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner.

ARTICLE V

ASSESSMENTS

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

Section 1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the common elements or the administration of the Project shall be expenditures affecting the administration of the Project, 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 common elements or the administration of the Project shall be receipts affecting the administration of the Project, within the meaning of Section 54(4) of the Act. If snow removal is not performed by a governmental body, the Association reserves the right to contract for the removal of snow from paved areas located within General Common Element areas and roadways dedicated to the public except the approaches of individual driveways servicing the Units. The cost of snow removal shall be an expense of administration of the Project. Alley/lanes are to be cleaned and maintained by the Association and a shared expense of all the Co-owners.

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. The budget shall Project all expenses for the coming year that may be required for the proper operation, management and maintenance of the Project, including a reasonable allowance for reserves and contingencies. An adequate reserve fund for maintenance, repairs and replacement of those common elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular 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 Project 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 the year shall be established based upon the budget. 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. If the Board of Directors decides, in its sole discretion, that the assessments levied are or may be insufficient to pay the costs of operation and management of the Condominium, then it shall have the authority to increase the general assessment or to levy additional assessments that it deems necessary. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and its members, and shall not be enforceable by any creditors of or members of the Association.

- 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 provided below to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the common elements of a cost exceeding \$ 5,000.00 for the entire Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in section 5, or (3) assessments for any other appropriate purpose not described elsewhere in these Bylaws. Special assessments referred to in this subparagraph B. (but not including those assessments referred to in subparagraph 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 in number. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and its members and shall not be enforceable by any creditors of or members of the Association.

Section 3. Apportionment of Assessments and Penalty for Default. Unless otherwise provided in these Bylaws or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master deed. Payment of an assessment shall be on a monthly, quarterly, semiannual, or annual basis, as determined by the Association. The payment of an assessment shall be in default if all or any part of that assessment is not paid to the Association in full on or before its due date. The Association may assess reasonable automatic late charges or may, under Article XIX, Section 4, levy fines for late payment. Each Co-owner (whether 1 or more persons) shall be and remain personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his/her Unit that are levied while he/she is the owner. However, a land contract purchaser from any Co-owner shall be so personally liable and a land contract seller shall not be personally liable for all assessments levied up to and including the date upon which the land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to cost of collection and enforcement of payment, including

reasonable attorney's fees; second, to any interest charges and fines for late payment on installments; and third, to installments in default in order of their due dates.

Section 4. Waiver of Use or Abandonment of Unit. No Co-owner may exempt himself from liability for his/her contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his/her Unit.

Section 5. Enforcement. 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 his/her Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. Interest shall accrue on all unpaid amounts owed to the Association by a Co-owner at the rate of seven (7%) percent per annum.

Foreclosure Proceedings. Each Co-owner, and every other person who has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing a 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 made a part of these Bylaws for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to those actions. Further, each Co-owner and every other person who has any interest in the Project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of that sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to his/her Unit, he/she was notified of the provisions of this subparagraph and that he/she voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement of the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

Notice of Action. 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 1 or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies 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 Units(s), and (v) the name(s) of the Co-owner(s) of record. The affidavit shall be recorded in the office of the Genesee County Register of Deeds prior to commencement of any foreclosure proceeding, but it need not have been recorded as the date of mailing. If the delinquency is not cured within the 10-day period, the Association may take any remedial action available to it under these Bylaws or Michigan law. If the Association elects to foreclose the lien by advertisement, then the Association shall so notify the delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

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 his/her Unit.

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

Section 7. Association's Responsibility for assessments. [intentionally deleted]

Section 8. Statement as to Unpaid Assessments. The purchaser of any Unit 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 under which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of the unpaid assessments that exist or a statement that none exist. That statement shall be binding upon the Association for the period stated. Upon the payment of that sum within the period stated, the Association's lien for assessments as to that Unit 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 the Unit shall render any unpaid assessments and the lien securing them fully enforceable against the purchaser and the Unit itself; to the extent provided by the act. Under the act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale prior to all claims except real property taxes and first mortgages of record.

Section 9. 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 10. 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 those personal property taxes shall be treated as expenses of administration.

Section 11. Construction Lien. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, (MCL 570.1101 *et. seq.*) shall be subject to Section 132 of the Act.

ARTICLE VI **ARBITRATION**

Section 1. Scope and Election. Disputes, claims, or grievances arising out of or in relation 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 those 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 the arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties 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 then in effect shall be applicable to any arbitration.

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

Section 3. Election of Remedies. The election and written consent by Co-owners or the Association to submit a dispute, claim or grievance to arbitration shall preclude them from litigating the dispute, claim or grievance in the courts.

ARTICLE VII **VOTING**

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

Section 2. Eligibility to Vote. No Co-owner shall be entitled to vote at any meeting of the Association until he/she has presented evidence of ownership of a Unit in

the Project to the association. The vote of each Co-owner may be cast only by the individual representative named by the Co-owner in the notice required in Section 3 of this Article VIII or by a proxy given by that representative.

Section 3. Designation of Voting Representative. Each Co-owner shall file a written notice with the Association naming an individual representative to vote at meetings of the Association on behalf of the Co-owner. The notice shall state the name and address of the representative, the number(s) of the Condominium Unit(s) owner by the Co-owner, and the name and address of each person or other entity who is the Co-owner. The notice shall be signed and dated by the Co-owner. The named representative may be changed by the Co-owner at any time by filing a new notice in the same manner.

Section 4. Quorum. The presence in person or by proxy of 35% of the Co-owners in number and in value 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 that 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 writing duly signed by the named 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, shall consist of more than 50% in value of those qualified to vote, present in person or by proxy at a given meeting of the members of the Association. If expressly provided in these Bylaws, a majority may be required to exceed a simple majority.

ARTICLE VIII **MEETINGS**

Section 1. Place of Meeting. Meetings of the association shall be held at the principal office of the Association or at another suitable, convenient place designated by the Board of Directors. Meeting of the Association shall be conducted in accordance with Roberts Rules of Order or some other generally recognize manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents or the laws of the State of Michigan.

Section 2. First Annual Meeting. [intentionally deleted]

Section 3. Annual Meetings. Annual meetings of members of the Association shall be held on the third Tuesday of August each succeeding year after the year in which the First Annual Meeting is held, at a time and place determined by the Board of Directors. At those meetings the Co-owners shall elect by ballot

a Board of Directors in accordance with Article XI of these Bylaws. The Co-owners may also transact other business of the Association that properly comes before them.

Section 4. Special Meetings. The President shall call a special meeting of the Co-owners if directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the Co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time, place and purposes of the meeting. Only the business stated in the notice shall be transacted at a special meeting.

Section 5. Notice of Meetings. The Secretary shall (or other Association officer in the Secretary's absence) serve a notice of each annual or special meeting, stating the purpose, time and place of the meeting upon each Co-owner of record at least 10 days but no more than 60 days prior to the meeting. The mailing of a notice to each named representative at his/her address shown in the notice required by Article VIII, Section 3, shall be deemed notice served. Any member may waive notice in writing. The 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. [intentionally deleted]

Section 8. Action Without Meeting. Any action that 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. 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 that manner. Approval by written ballot shall be constituted by receipt, within the specified time period of (i) a number of ballots that equals or exceeds the quorum that would be required if the action were taken at a meeting; and (ii) a number of approvals that equals or exceeds the number of votes that 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 transaction 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 member not present in person or by proxy, signs a written waiver or notice, or a

consent to the holding of that meeting, or an approval of the minutes. All 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 in the minutes. A recitation in the minutes of a meeting that notice of the meeting was properly given shall be prima facie evidence that proper notice was given.

ARTICLE IX ADVISORY COMMITTEE

[intentionally deleted]

ARTICLE X BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors shall consist of 5 members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association. Directors shall serve without compensation.

Section 2. Election of Directors. At each annual meeting, either 1 or 2 Directors shall be elected depending upon the number of Directors whose terms expire. After the First Annual Meeting, the term of office (except for 2 of the Directors elected as the First Annual Meeting) of each Director shall be 2 years. The Directors shall hold office until their successors have been elected and hold their first meeting. Annual meetings of Co-owners to elect Directors and conduct other business shall be held in accordance with the provisions of Article VIII, Section 3. The number of Directors may be 5 to 7.

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

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

- A. To enforce the provisions of all Condominium Documents.
- B. To manage and administer the affairs of and to maintain the Project and the Common Elements.
- C. To levy and collect assessments from the members of the Association and to use the proceeds for the benefit of the Association.

- D. To carry insurance and collect and allocate the insurance proceeds.
- E. To rebuild Common Element improvements after casualty.
- F. To contract for and employ persons, firms, corporations or other agents in the management, operation, maintenance and administration of the Project.
- G. To acquire, maintain and improve, buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, right-of-way and licenses) on behalf of the Association in carrying out the purposes of the Association.
- H. To borrow money and issue evidences of indebtedness in carrying out the purposes of the Association, and to secure them by mortgage, pledge, or other lien on property owned by the Association, but only if those actions are approved by affirmative vote of 75% of all of the members of the Association in number and in value.
- I. To make rules and regulations in accordance with these Bylaws.
- J. To establish and appoint members to any committees it deems necessary, convenient or desirable for the purpose of implementing the enforcement and administration of the Condominium and to delegate to those committees any functions or responsibilities that are not required by law or the Condominium Documents to be performed by the Board.

Section 5. Management Agent. The Board of Directors may employ for the Association a professional management agent at reasonable compensation established by the board to perform the duties and services that the Board authorizes, including, but not limited to, the duties listed in Section 3 and 4 of this Article. The Board may delegate to the management agent any other duties or powers that are not required by law or by the Condominium Documents to be performed by or have the approval of the Board of Directors or the members of the Association. All service and management contracts shall comply with Section 5 of the Act.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each Director elected shall serve until a successor is elected at the next annual meeting of the members of the Association.

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% in number of all of the Co-owners and a successor may then and there be elected to fill the resulting vacancy.

Section 8. First Meeting. The first meeting of a newly elected Board of Directors shall be held within 10 days of election at the place designated by the Director at the meeting at which they were elected; no notice to those Directors shall be necessary in order to hold that meeting if a majority of the whole Board shall be present.

Section 9. Regular Meeting. Regular meetings of the Board of Directors may be held at the times and place determined by a majority of the Directors. The Board may decide, in its discretion, to communicate by email, telephone, etc. in lieu of an in-person meeting. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by mail, telephone or e-mail, at least 10 days prior to the date named for the meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director given personally, by mail, telephone or email, of the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in the same manner on the written request of a Director.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of the meeting. The waiver shall be equivalent to the giving of notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by him/her. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at the meeting.

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business. 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, a quorum is not present, then the majority of those present may adjourn the meeting to a subsequent time upon 24 hours' notice prior written notice delivered to all Directors not present. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes shall constitute the presence of that Director for purpose of determining a quorum.

Section 13. First Board of Directors. [intentionally deleted]

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 the bonds shall be expenses of administration.

ARTICLE XI

OFFICERS

Section 1. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, and a Secretary-Treasurer.

- 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.
- B. Vice President. The Vice President shall take the place of the President and perform his/her or her duties whenever the President is 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 act on an interim basis.
- 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 those 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 the depositories 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. His/her or her successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for that purpose. No removal action may be taken unless that matter is included in the notice of the 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 those other duties, powers and responsibilities authorized by the Board of Directors.

ARTICLE XII

SEAL

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

ARTICLE XIII

FINANCE

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, a specification of 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. All Association records shall be open for inspection by the Co-owners and their mortgagees during ordinary 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. The auditors need not be certified public accountants and the audit need not be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of the annual audited financial statements within 90 days following the end of the Association's fiscal year upon request. Audit and accounting expenses shall be expenses of administration.

Section 2. Fiscal Year. The fiscal year of the Association shall be the calendar year. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 3. Bank. Funds of the Association shall be initially in a bank or savings association designated by the Board of Directors and shall be withdrawn only upon the check or order of the officers or agents designated by resolution of the Board of Directors. The funds may be invested in accounts or deposit certificates of a bank or savings association insured by the Federal Deposit Insurance Corporation or in interest-bearing obligations of the United States Government.

ARTICLE XIV

INDEMNIFICATION OF OFFICERS 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 or her in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, to which he or she may be a party or in which he or she may become involved by reason of his/her 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 the expenses are incurred, except as otherwise prohibited by law. In the event of any claim for reimbursement or indemnification based upon a settlement by the director or officer seeking the reimbursement or indemnification the indemnification shall apply only if the Association (with the director seeking the reimbursement abstaining)

Approves the 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 a director or officer may be entitled. At least ten (10) days prior to payment of any indemnification that it has approved, the Association shall notify all Co-owners of the payment. Further, the Association is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in amounts it deems appropriate.

ARTICLE XV AMENDMENTS

Section 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by 2/3 or more in number of the Co-owners by instrument in writing signed by them.

Section 2. Meeting. A meeting for consideration of a proposed amendment 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 that purpose by an affirmative vote of not less than two-thirds of all Co-owners in number and in value. No consent of mortgagees shall be required to amend these Bylaws unless the amendment would materially alter or change the rights of mortgagees, in which event the approval of two-thirds of the mortgagees shall be required, with each mortgagee to have one vote for each first mortgage

Section 4. By Developer. [intentionally deleted]

Section 5. When Effective. Any amendment to these Bylaws shall become effective upon recording of the amendment in the office of the Genesee 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. Amendments to these Bylaws adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project regardless of whether they actually receive a copy of the amendment.

ARTICLE XVI **COMPLIANCE**

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

ARTICLE XVII **DEFINITIONS**

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

ARTICLE XVIII **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, including an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination. Relief may be sought by the Association or, 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 reasonable attorney's fees (not limited to statutory fees) as determined by the court. No Co-owner will be entitled to recover 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 authorized agents the right to enter upon the Common Elements or upon any Unit (but not inside any residence), where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power.

Section 4. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of

monetary fines for violations. No fines may be assessed unless in accordance with the provisions of Article XIX.

Section 5. Non-waiver of Right. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition that may be granted by the Condominium Documents shall not constitute a waiver of the rights of the Association or of any Co-owner to enforce that right, provision, covenant or condition of 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 Condominium Documents shall be deemed to be cumulative. The exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the exercise of other and additional rights, remedies or privileges available to a 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 them 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 and /or damages for noncompliance with the terms and provisions of the Condominium Documents or the Act.

ARTICLE XIX

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 of monetary fines against the involved Co-owner. That Co-owner shall be deemed responsible for the violations whether they occur as a result of his/her personal actions or the actions of his/her family, guests, tenants or any other person admitted through him to the Condominium Premises.

Section 2 Procedures. Upon any 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 set forth with enough specificity to place the Co-owner on notice of the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of the Co-owner at the address shown in the notice required to be filed with the Association pursuant to Article VIII, Section 3 of the 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 the Co-owner shall not be required to appear less than 10 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 appearances by the Co-owner before the Board and presentation of evidence of defense, or, upon 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:

- I. First Violation. No fines shall be levied.
- II. Second Violation. Twenty-Five Dollars (\$25.00) fine.
- III. Third Violation. Fifty Dollars (\$50.00) fine.
- IV. Fourth Violation and Subsequent Violations. One Hundred Dollars (\$100.00) fine.

Section 4 Collection. The fines levied pursuant to Section 3 above shall be addressed against the Co-owner and shall be due and payable on the first of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitation, those described in Article XIX of these Bylaws.

ARTICLE XX **RIGHTS RESERVED TO DEVELOPER**

[intentionally deleted]

ARTICLE XXI **SEVERABILITY**

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