

EXHIBIT "A"

CONDOMINIUM BYLAWS **MIRAGE LAKE**

ARTICLE I **ASSOCIATION OF CO-OWNERS**

Section 1.1 Formation: Membership.

Mirage Lake, a residential site Condominium Project located in the Charter Township of York, Washtenaw County, Michigan, shall be administered by the Mirage Lake Condominium Association, a Michigan non-profit corporation, (the "Association"). The Association shall be responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Condominium Bylaws referred to in the Master Deed and required by Section 53 of the Act and the Association Bylaws provided for under the Michigan Non-profit Corporation Act., Each Co-owner shall be a member in the Association and no other-person or entity shall be entitled to membership. Co-owners: are sometimes referred to as "Members" in these Bylaws. A Co-owner's share of the Association's funds and assets cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project, all of which shall be available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit or the Common Elements shall be subject to the provisions and terms set forth in the Condominium Documents.

Section 1.2 Definitions.

Capitalized terms used in these Bylaws without further definition shall have the meanings given to such terms in the Master Deed, or the Act unless the context dictates otherwise.

Section 1.3 Conflicts of Terms and Provisions.

In the event there exists any conflict among the terms and provisions contained within the Master Deed or these Bylaws, the terms and provisions of the Master Deed shall control.

ARTICLE II **ASSESSMENTS**

Section 2.1 Assessments Against Units and Co-owners.

All expenses arising from the management, administration and operation of the Association in accordance with the authorizations and responsibilities prescribed in the Condominium Documents and the Act shall be levied by the Association against the Units and the Co-owners thereof, in accordance with the provisions of this Article II.

Section 2.2 Assessments for Common Elements: Personal Property Taxes Assessed Against the Association.

All costs incurred by the Association to satisfy any liability or obligation arising from, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute 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 Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

Section 2.3 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 ("Budget") in advance for each fiscal year and such Budget shall project all expenses for the ensuing year which, may be required for the proper operation, management, and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of the Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular annual assessments, as set forth in Section 2.4 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 the Project, the Association should carefully analyze the Condominium Project, to determine if a greater amount should be set aside, or if additional reserves should be established for other purposes from time to time. Upon adoption of a 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. The applicable annual assessments, as levied, shall constitute a lien against all Units as of the first day of the fiscal year in which the assessments relate. Failure to deliver a copy of the Budget to each Co-owner shall not affect or in any way diminish such lien or the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in its sole discretion: (1) that the assessments levied are or may prove to be insufficient to pay the actual costs of the Condominium Project's operation and management, (2) to provide for repairs or replacements of existing Common Elements, or (3) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessments and to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors shall also have the authority, without Co-owner or mortgagee consent, to levy assessments for repair and reconstruction in the event of casualty pursuant to the provisions of Section 5.2 below. 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 the Association or its Members.
- (b) **Special Assessments.** Special assessments, in addition to the general assessments required in Section 2.3(a) above, may be made by the Board of Directors from time to time, subject to Co-owner approval as hereinafter provided, to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 2.6 below, or (3) assessments for any other appropriate purpose that could not be covered by the annual assessment. Special assessments referred to in this subparagraph (b) shall not be levied without the prior approval of the Co-owners representing seventy (70%) percent or more of the combined percentage of value of all Units within the Condominium Project. 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 the Association or its Members.
- (c) **Remedial Assessments.** If any Co-owner fails to properly maintain or repair his Unit in

accordance with the provisions of Article VI, which failure, in the opinion of the Board of Directors adversely affects the appearance of the Condominium Project as a whole, or the safety, health or welfare of the other Co-owners of the Condominium Project, the Association may, following notice to such Co-owner, take any actions reasonably necessary to maintain or repair or the Co-owner's Unit, and an amount equal to one hundred fifty (150%) percent of the cost thereof shall be assessed against the Co-owner of such Unit.

Section 2.4 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 administration expenses shall be apportioned among and paid by the Co-owners in accordance with the respective percentages of value allocated to each Co-owner's Unit in Article V of the Master Deed, without adjustment for the use or non-use of the Unit or any Limited Common Element appurtenant to a Unit. Annual assessments determined in accordance with Section 2.3(a) above shall be paid by Co-owners in one annual payment, or two semi-annual payments, as determined by the Association Board of Directors. A Co-owner's payment obligations will commence with the acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. A Co-owner shall be in default of his assessment obligations if he fails to pay any assessment installment when due. A late charge not to exceed \$25.00 per month shall be assessed automatically by the Association upon any assessments in default for ten or more days until the assessment installment together with the applicable late charges are paid in full. Each Co-owner (whether one 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) relating to his Unit which may be levied while such Co-owner owns the Unit. Payments to satisfy assessment installments in default shall be applied as follows: first, to the costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest charges and fines for late payment on such assessment installments; and third, to the assessment installments in default in the order of their due dates.

Section 2.5 Waiver of Use or Abandonment of Units.

No Co-owner may exempt himself from liability for his assessment obligations by waiving the use or enjoyment of any of the Common Elements or by abandoning his Unit.

Section 2.6 Liens for Unpaid Assessments.

The sums assessed by the Association which remain unpaid, including but not limited to regular assessments, special assessments, fines and late charges, shall constitute a lien upon the Unit or Units in the Project owned by the Co-owner at the time of the assessment and, upon the proceeds of sale of such Unit or Units. Any such unpaid sum shall constitute a lien against the Unit as of the first day of the fiscal year in 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 2.6 and Section 108 of the Act.

Section 2.7 Enforcement.

- (a) **Remedies.** In addition to any other remedies available to the Association, the Association may enforce the collection of delinquent assessments by a suit at law or by foreclosure on the statutory lien that secures payment of assessments. In the event any Co-owner defaults in the payment of any annual assessment installment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year to be immediately due and payable. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association until the default is cured; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit or the dwelling or other improvements constructed

thereon. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Section 1 8.4 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 Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as 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. In addition, 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 Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he reviewed the provisions of this subparagraph and he voluntarily, intelligently and knowingly waived notice of any proceedings brought by, the Association to foreclose any assessment liens by advertisement.
- (c) **Notices of Action.** Notwithstanding the provisions of Section 2.7(b), the Association shall not commence a judicial foreclosure action or a suit for a money judgment or publish any notice of foreclosure by advertisement, until the Association has provided the delinquent Co-owner with written notice, sent by first class mail, postage prepaid, addressed to the delinquent Co-owner at his last known address, that one or more assessment installments levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies under these Bylaws if the default is not cured within ten (10) days from the date of the notice. 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 fees and future assessments), (iv) the legal description of the subject Unit(s) and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Washtenaw County Register of Deeds prior to the commencement of any foreclosure proceeding. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it under these Bylaws and under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall notify the delinquent Co-owner of the Association's election and shall inform him that he may request a judicial hearing by bringing suit against the Association.
- (d) **Expenses of Collection.** The expenses incurred by the Association in collecting unpaid assessments, including interest, costs, actual attorneys' 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 defaulting Co-owner and shall be secured by a lien on his Unit.

Section 2.8 Liability of Mortgagees.

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, and any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges

against the mortgaged Unit which accrued prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of assessments or charges resulting from a pro rata reallocation of assessments or charges to all Units including the mortgaged Unit).

Section 2.9 Developer's Responsibility for Assessments (deleted)

Section 2.10 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 2.11 Personal Property Tax Assessment of Association Property.

The Association shall be assessed as the 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 2.12 Construction Liens.

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 2.13 Statement as to Unpaid Assessments.

The purchaser of any Unit may request a statement from the Association identifying the amount of any unpaid Association regular or special assessments relating to such Unit. 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 Unit, the Association shall provide a written statement identifying any existing unpaid assessments or a written statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of the sum identified in the statement within the period identified in the statement, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, if a purchaser fails to request such statement at least five (5) days prior to the closing of the purchase of such Unit, any unpaid assessments and the lien securing them shall be fully enforceable against such 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 sale proceeds thereof which has priority over all. claims except tax liens in favor of any state, or federal-taxing authority and sums unpaid on a first mortgage of record except that past due assessments which are evidenced by a notice of lien, recorded, pursuant to Section 2.7 have priority over a first mortgage recorded-subsequent to the recording of the notice of the lien.

ARTICLE III ARBITRATION

Section 3.1 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 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 shall be applicable to any such arbitration.

Section 3.2 Judicial Relief.

In the absence of the election and written consent of the parties pursuant to Section 3.1 above,

any Co-owner or the Association may petition the courts to resolve any disputes, claims or grievances.

Section 3.3 Election of Remedies.

The election and written consent by the disputing parties to submit any dispute, claim or grievance to arbitration shall preclude such parties from thereafter litigating such dispute, claim or grievance in the courts. Nothing contained in this Article III shall limit the rights of the Association or any Co-owner, described in Section 144 of the Act.

ARTICLE IV INSURANCE

Section 4.1 Extent of Coverage.

The Association shall, to the extent appropriate in light of the nature of the General Common Elements of the Project, carry fire and extended coverage, vandalism and malicious mischief and liability insurance, (in a minimum amount to be determined by the Association in its discretion), officers' and directors' liability insurance and workmen's compensation insurance, if applicable, and 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 the Association.** All of the insurance referenced in this Section 4.1 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 mortgagee endorsements to the mortgagees of Co-owners.
- (b) **Insurance of Common Elements.** If applicable and appropriate, General Common Elements of the Condominium Project, shall be insured against fire and other perils covered by a standard extended coverage endorsement, 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 in consultation with the Association's insurance carrier and/or its representatives, utilizing commonly employed methods for the reasonable determination of replacement costs.
- (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.** 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 interest 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 retained by the Association and applied for such repair or reconstruction.

Section 4.2 Authority of Association to Settle Insurance Claims.

Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project and

the Common Elements appurtenant thereto. Without limiting the foregoing, the Association shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefore to collect insurance proceeds and to distribute the same to the Association, the Co-owners and their respective mortgagees, as their interests may appear (subject always to the Condominium Documents), and/or to utilize said proceeds for required repairs or reconstruction, 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 accomplish the foregoing purposes.

Section 4.3 Co-owner Responsibilities.

Each Co-owner shall be 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 his Unit, any Limited Common Elements appurtenant thereto and for his personal property located therein or thereon, or elsewhere in the Condominium Project. The Association shall have no responsibility whatsoever to insure any such improvements. In addition, each Co-owner shall be obligated to obtain insurance coverage for personal liability for occurrences within the perimeter of his Unit and any appurtenant Limited Common Elements, naming the Association as additional insureds, 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 under this Section 4.3. If a Co-owner fails to obtain such insurance or to provide evidence of such insurance to the Association, the Association may, but is not obligated to, obtain such insurance on behalf of the Co-owner and the premiums for such insurance shall constitute a lien against the Co-owner's Unit which may be collected in the same manner that assessments may be collected under Article II of these Bylaws.

Section 4.4 Waiver of Subrogation.

The Association, as to all policies which it obtains, and all Co-owners, as to all policies which they obtain, shall use their best efforts to see that all property and liability insurance carried by the Association and any Co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

Section 4.5 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-owners or the Association may suffer as a result of defending any claim arising out of an occurrence on or within an individual Co-owner's Unit or appurtenant Limited Common Elements. Each Co-owner shall carry insurance to secure the indemnity obligations under this Section 4.5, if required by the Association. This Section 4.5 is not intended to give any insurer any subrogation right or any other right or claim against any individual Co-owner.

ARTICLE V RECONSTRUCTION OR REPAIR

Section 5.1 Co-owner Responsibility for Repair.

Each Co-owner shall be responsible for all reconstruction, repair and maintenance of the dwelling and all other improvements, fixtures and personal property within his Unit, and all Limited Common Elements appurtenant to the Unit. If any damage to the dwelling or other improvements constructed within a Co-owner's Unit adversely affects the appearance of the Project, the Co-owner shall proceed to remove, repair or replace the damaged property without delay.

Section 5.2 Association Responsibility for Repair.

The Association shall be responsible for the reconstruction, repair and maintenance of the General Common Elements. Immediately following a casualty to property which the Association is responsible

for maintaining and repairing, the Association shall obtain reliable and detailed cost estimates, to repair or replace the damaged property to a condition comparable to that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, there are insufficient funds for the payment of the reconstruction or repair, the Association shall make an assessment against all Co-owners for an amount, which when combined with available insurance proceeds, shall be sufficient to fully pay for the cost of repair or reconstruction of the damaged property. Any such assessment made by the Board of Directors of the Association shall be governed by Section 2.3(a) of these Bylaws. Nothing contained in this Section 5.2 is intended to require the Association to replace mature trees and vegetation with equivalent trees or vegetation.

Section 5.3 Timely Reconstruction and Repair.

If any damage to Common Elements or improvements within a Unit adversely affects the appearance of the Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof shall proceed to replace the damaged property without delay, and shall use its best efforts to complete such replacement within six (6) months from the date upon which the property damage occurred.

Section 5.4 Eminent Domain.

Section 133 of the Act and the following provisions shall control in the event all or a portion of the Project is subject to eminent domain:

(a) Taking of a Unit or Related Improvements. In the event all or a portion of a Unit or any improvements thereon, are taken by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interest may appear. If the entire Unit is taken by eminent domain, on the acceptance of such award by the Co-owner and his mortgagee, they shall be divested of all interest in the Condominium Project.

(b) Taking of Common Elements. If there is a 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 undivided interest in the General Common Elements unless pursuant to the affirmative vote of Co-owners representing greater than 50% in percentage of value of the total votes of all Co-owners qualified to vote, at a meeting duly called for such purpose, the Association is directed to rebuild, repair or replace the portion so taken or to take such other action as authorized by a vote of the Co-owners who hold a majority in percentage of value. If the Association is directed by the requisite number of Co-owners to rebuild, repair or replace all or any portion of the Common Elements taken, the Association shall be entitled to retain the portion of the condemnation proceeds necessary to accomplish the reconstruction, repair or replacement of the applicable General Common Elements. The Association, acting through its Board of Directors, may negotiate on behalf of all Co-owners for any condemnation award for Common Elements and any negotiated settlement approved by the Co-owners representing 66-2/3% or more of the total percentages of value of all Co-owners qualified to vote shall be binding on all Co-owners.

(c) Continuation of Condominium After Taking. In the event the Condominium Project continues after a taking by eminent domain, then the remaining portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly, and, if any Unit 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 Units, based upon the continuing value of the Condominium being 100%. Such amendment may be effected by an officer of

the Association duly authorized by the Board of Directors without the necessity of obtaining the signature or specific approval of any Co-owner, mortgagee or other person.

(d) Notification of Mortgagees. In the event all or any portion of a Unit in the Condominium, or all or any portion of the Common Elements is made the subject matter of any condemnation of eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association shall notify each institutional holder of a first mortgage lien on any of the Units in the Condominium that is registered in the Association's book of "Mortgagees of Units" pursuant to Section 7.1 of these Bylaws.

Section 5.5 Notification of FHLMC.

In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefore by FHLMC, the Association shall give FHLMC written notice, at such address as it may from time to time direct, of any loss to or taking of the Common Elements of the Condominium, if the loss or taking exceeds \$10,000 in amount or if the damage or taking relates to a Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.

Section 5.6 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 Units pursuant to their mortgages with respect to any distribution to Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

ARTICLE VI RESTRICTIONS

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

Section 6.1 Residential Use.

No Unit in the Condominium shall be used for other than single-family residential purposes as defined by the Charter Township of York Zoning Ordinance, and the Common Elements shall be used only for purposes consistent with the use of single-family residences.

No building shall be constructed or placed within a Unit except one single-family private dwelling or model home and an attached side or rear entry garage containing not less than two (2), nor more than four (4) parking spaces for the sole-use of the Co-owner or occupants of the dwelling. No dwelling shall exceed three, and one-half (3-1/2) stories or forty-eight (48) feet in height. No Co-owner shall move a used house onto any Unit and no manufactured or pre-fabricated houses shall be allowed on any Unit. No other accessory building, storage shed or structure may be erected in any manner or location within a Unit.

Notwithstanding the foregoing, the Association may grant an exception to the above referenced requirement that the attached garage be designed for side or rear entry, to the Co-owners of Units 1 through 7, inclusive, whose ingress and egress are from Crane Road, a public road located outside the Project, due to the difficult topography of such Units; and the Association, shall be entitled to grant exceptions to the above-referenced requirement that the attached garage be designed for side or rear entry, to a Co-owner of a Unit who demonstrates to the satisfaction of the Association, that an exception to the requirement that the attached garage be designed for side or rear entry as to

said Co-owner will not adversely affect the quality of the Project or lessen the value of the homes surrounding the home to be constructed by the Co-owner on such Unit. Any exception granted to a Co-owner shall be evidenced by a written agreement and no such exception shall constitute a waiver of the requirement that the attached garage be designed for side or rear entry as to any other Unit or Co-owner.

Section 6.2 Dwelling. Quality and Size.

In order to insure that all dwellings in the Condominium Project shall be of quality design, workmanship and materials approved by the Association, all dwellings shall be constructed in accordance with all applicable governmental building codes, zoning and other ordinances and/or regulations and in accordance with such further standards as may be required by these Bylaws, or the Association. The minimum square footage of floor area of a dwelling, exclusive of attached garages, walk-out basements, steps, open and/or closed porches, breezeways and similar facilities shall be One Thousand Eight Hundred (1,800) square feet for one-story dwellings with a walk-out basement and Two Thousand Two Hundred (2,200) square feet for one-story dwellings without a walk-out basement; and Two Thousand Fifty (2,050) square feet for all other dwellings with a walk-out basement and Two Thousand Three Hundred Fifty (2,350) square feet for all other dwellings without a walk-out basement. The maximum Unit coverage for any dwelling shall not exceed thirty (30%) percent of the total Unit.

Notwithstanding the foregoing, the Association, shall be entitled to grant exceptions to the above-referenced minimum square footage restriction to a Co-owner of a Unit who applies for such exceptions; provided said Co-owner demonstrates to the satisfaction of the Association, that a reduction in the square footage requirement as to said Co-owner will not adversely affect the quality of the Project or lessen the value of the homes surrounding the home to be constructed by the Co-owner on such Unit. Any exception granted to a Co-owner shall be evidenced by a written agreement and no such exception shall constitute a waiver of any minimum square footage requirement as to any other Unit or Co-owner.

Section 6.3 Location of Dwelling and Improvements.

In order to enhance aesthetic and design harmony within the Project and to preserve the natural features that are located within the Project, and to insure compliance with the site plan for the Project that was approved by the Charter Township of York in accordance with the PUD referenced in Article X of the Master Deed, as part of its architectural review under Section 6.23 of these Bylaws, the Association shall have the right to specify the location of the dwelling and attached garage, well, septic tank, septic field and related facilities, within each Unit. All dwellings and other structures shall be located on each Unit in accordance with the Charter Township of York's requirements set forth in its zoning ordinance.

Section 6.4 Driveways.

Driveways and other paved areas for vehicular or pedestrian use within a Unit shall have a base of compacted sand, gravel, crushed stone or other approved base material and shall have a wearing surface of asphalt, concrete, or brick pavers, and shall be completed, weather permitting, prior to occupancy. Plans for driveways, pavement edging or markers must be approved by the Association in writing prior to commencing any construction in accordance with such plans.

Section 6.5 Building Materials.

Exterior building materials on dwellings and attached garages may be stone, brick, wood siding, or stucco/dryvit, provided that not less than fifty (50%) percent of the exterior area of the dwelling and the attached garage is covered with brick and/or stone, or any other material blending with the architecture and natural landscape which is approved by the Association in its discretion. In addition, all one-story dwellings and at least the bottom half of all other dwellings, shall have brick and/or stone on all sides of the exterior of the house. Any exposed exterior wall of a walk-out lower level (basement) shall have an exterior finish material of brick and/or stone.

Section 6.6 Home Occupations, Nuisances and Livestock.

No home occupation, profession or commercial activity that requires members of the public to visit a Co-owner's Unit or requires commercial vehicles to travel to and from a Co-owner's Unit shall be conducted in any dwelling located in the Condominium Project. No noxious or offensive activity shall be carried on in or upon any Unit or Common Element nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood, other than normal construction activity. No chickens or other fowl or livestock shall be kept or harbored on any Unit. No animals or birds shall be maintained on any Unit, except customary house pets for domestic purposes only. All animal life maintained on any Unit shall have such provisions and care so as not to become offensive to neighbors or to the community on account of noise, odor, unsightliness and no household pets shall be bred, kept or maintained for any commercial purposes whatsoever. No animal may be permitted to run loose at any time upon the Common Elements and an animal shall at all times be leashed and accompanied by a responsible person while on the General Common Elements. All pet owners shall clean up after their animals while on the General Common Elements. No burning of refuse shall be permitted outside the dwelling. No occupied or unoccupied Unit shall be used or maintained as a dumping ground for rubbish or trash.

Section 6.7 Temporary Buildings, Damaged Dwellings and Reconstruction.

No trailer, mobile home, van, tent, shack, garage, barn, out-building or structure of a temporary character shall be used at any time as a temporary or permanent residence, nor shall any basement be used for such purposes. All permanent dwellings shall be completed within two (2) years from the commencement of construction. No old or used buildings of any kind whatsoever shall be moved to or reconstructed on any Unit. Any building damaged or destroyed by any cause, for which repair or reconstruction has not commenced within six (6) months from the date of damage or destruction, shall be removed so that there are no ruins or debris remaining within six (6) months from the date of damage or destruction. Any building which is not completed within two (2) years from commencement of construction or any damage or destruction not promptly remedied shall be deemed a nuisance and may be abated by the Association as provided by law. Any and all property within any public or private road or right-of-way which is disturbed by reason of any work performed by a Co-owner, or said Co-owner's agents, servants, employees or independent contractors, in connection with said Co-owner's Unit shall be restored by said Co-owner, at his sole expense, to its condition immediately prior to the commencement of such work. Said restoration shall be performed immediately following the completion of said work or, if such work is not completed, within a reasonable time following the date the work stopped. No storage sheds shall be erected on a Unit without the prior written approval of the Association.

Section 6.8 Soil Removal.

Soil removal from a Unit shall not be permitted except as required for building construction and as permitted by the Association. In addition, all construction shall be subject to the requirements of the Michigan Soil Erosion and Sedimentation Control Act and all other applicable statutes, ordinances, rules and regulations of all governmental units having jurisdiction over such activities.

Section 6.9 Underground Wiring.

No permanent lines or wires for communication or other transmission of electrical or power (except transmission lines located on existing or proposed easements) shall be constructed, placed or permitted to be placed anywhere above ground within a Unit other than within buildings or structures.

Section 6.10 Tree Removal.

Trees may be removed from any area within a Unit that the Association has approved for the location of a dwelling and attached garage. Subject to the foregoing, clear-cutting or removal by any person other than the Association of living trees of greater than ten (10) inches diameter measured one (1) foot from ground level shall not be permitted unless such clear-cutting or tree removal is in

compliance with all applicable municipal ordinances of the Charter Township of York, and has been approved in writing by the Association. Prior to commencement of construction, each Co-owner shall submit to the Association for its approval a plan for the preservation of trees in connection with the construction process. It shall be the responsibility of each Co-owner to maintain and preserve all large trees on his Unit, which responsibility includes welling trees, if necessary.

Section 6.11 Performance of Construction.

No building shall be erected on any Unit except by a contractor licensed by the State of Michigan for such purpose.

Section 6.12 Vehicular Parking and Storage.

No trailer, mobile home, bus, boat trailer, boat, camping vehicle, motorcycle, recreational vehicle, commercial or inoperative vehicle of any description shall at any time be parked, stored or maintained on any Unit, unless stored fully enclosed within an attached garage or similar structure; provided, however, that builders' trucks and equipment may be parked and used on any Unit during construction operations. No commercial vehicle lawfully upon any Unit for business shall remain on such Unit except in the ordinary course of business and in conformity with all applicable laws and/or ordinances. A motor home or camping vehicle of a size exceeding garage capacity may be parked temporarily in its Co-owner's driveway for a period not to exceed three (3) days for the purpose of loading and unloading such vehicle prior to and following its use.

Section 6.13 Garbage and Refuse.

Trash, garbage or other waste shall be kept only in closed, sanitary containers and shall be promptly disposed of so that it will not be objectionable to neighboring Co-owners. No outside storage for refuse or garbage shall be maintained or used unless it is properly concealed. The burning or incineration of rubbish, trash, construction materials or other waste outside of any residential dwelling is strictly prohibited. If the Charter Township of York, by ordinance, has a mandatory rubbish removal and waste recycling program, each Co-owner shall participate in such program and shall be billed separately by the Charter Township of York for such services.

Section 6.14 Fences; Obstructions.

No fences, walls or similar structures shall be erected on any Unit except for fences enclosing swimming pools approved by Association under Section 6.17, and retaining walls if approved by the Association. In no event shall chain link fences be permitted on any Unit. In addition, no fence, wall, structure, planting or obstruction shall be erected, established or maintained on any corner within a triangular area formed by the street lines and a connecting line which is at a point thirty (30) feet from the intersection of such street lines, which shall have a height that is more than three (3) feet; provided, however, shade trees with wide branches which are at least ten (10) feet above ground shall be permitted within such area.

Section 6.15 Landscaping and Grass Cutting.

Upon completion of a residential dwelling on any Unit, the Co-Owner shall cause such Unit to be finish graded, sodded or seeded (except the rear twenty (20') feet of a Lakefront Unit which shall not be seeded), and suitably landscaped as soon after such completion as weather permits, and in any event within seven; (7) months from the date, of completion, except for dwellings completed between May 1 and September 1, which shall be suitably landscaped within three (3) months from the date of completion.

Hydroseeding may be permitted, provided the Co-Owner properly protects the perimeter of the Unit with silt fencing and/or other protective soil erosion measures in compliance with the Michigan Soil Erosion and Sedimentation Control Act and in accordance with the Association's requests.

When weeds or grass located on any Unit exceed six (6) inches in height, the Co-owner of said

Unit shall mow or cut said weeds and grass over the entire Unit except in wooded areas. If the Co-owner fails to mow or cut weeds or grass within ten (10) days after being notified in writing, the Association may perform such work and the cost of such work shall become a lien upon the Unit(s) involved until paid.

Home/property owners are permitted to have beaches pending Association review and approval. The home/property owners shall meet the following criteria:

- (a) Beaches shall be of size and material that is easily maintained by the home/property owner.
- (b) Beaches shall be free of debris, weeds, and erosion which is consistent with the Bylaws regarding property maintenance.
- (c) If the home/property owner fails to properly maintain the beach, keeping it free of debris, weeds, and erosion, they will be given a 30-day written notice to correct the issue. If the home/property owner fails to respond, they will be subject to fines in the amount required by the Association to correct the issue.

Section 6.16 Motorized Vehicles: Firearms.

No motorized bikes, motorcycles, snowmobiles or other motorized recreational vehicles shall be operated in any Common Elements within the Project. No firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices shall be used anywhere on or about the Condominium Project.

Section 6.17 Swimming Pools, and Other Structures.

No swimming pools, outdoor whirlpools, hot tubs, wood decks, swing sets, tennis courts, basketball hoops and backboards or other recreational structures shall be constructed on any Unit without the prior written approval of the Association. NO ABOVE-GROUND SWIMMING POOLS IN EXCESS OF ONE-FOOT ABOVE GRADE SHALL BE ALLOWED ON ANY UNIT. Any swimming pool or other recreational structure which has been approved in writing by the Association shall be constructed in accordance with all applicable local ordinances and state laws.

All decks must be located in the rear yard of a Unit and cannot protrude into any side yards and must otherwise comply with all applicable rear yard setback requirements imposed by the Charter Township of York. ALL AIR CONDITIONING COMPRESSOR UNITS AND WATER PUMPS MUST ALSO BE LOCATED IN THE REAR YARD OF A UNIT ADJACENT TO THE DWELLING AND MUST BE SCREENED FROM THE LAKE OR ANY STREET LYING WITHIN THE PROJECT BY EVERGREEN HEDGE OR OTHER VISUAL BARRIER AS APPROVED IN WRITING BY THE ASSOCIATION.

Section 6.18 Signs: illumination: Mailboxes.

No signs of any kind shall be placed upon any Unit or on any building or structure located on a Unit, or any portion thereof, unless the plans and specifications showing the design, size, materials, message and proposed location(s) have been submitted to, and approved in writing by the Association with the exception of one (1) non-illuminated, sign which is not more than five (5) square feet in area pertaining only to the sale of the Unit upon which it is maintained.

No additional exterior illumination of any kind shall be placed or allowed on any portion of a Unit other than on a residential dwelling, unless first approved by the Association. The Association shall approve such illumination only if the type, intensity and style thereof are compatible with the style and character of the development of the Unit and the Project.

The Association may, but is not required to, install illuminating fixtures within the Condominium Project and to designate the fixtures as common lighting as provided in Section 4.1 (c) of the Master Deed. Some of the common lighting may be installed within the right of way of the public road running through the Condominium Project or on the General Common Elements. The cost of providing electricity for common lighting shall be paid by the Association. Said fixtures shall be maintained,

repaired and replaced (including the replacement of light bulbs) by the Association. The size and nature of the light bulbs to be used in the fixtures shall be determined by the Association in its discretion. The fixtures will operate on photoelectric cells, and shall remain lit at all times determined by the Association.

All mailboxes installed within the Units shall be of a uniform size and color and shall be the Mailmaster Plus Stone Gray 5052 model, or if this mailbox is not available, the mailbox must otherwise meet the uniformity standards established by the Association. Each Co-owner shall be responsible for the maintenance, repair and replacement of the mailbox used by the Co-owner. No separate newspaper holders shall be installed on any mailbox or anywhere else within the Condominium Project. All names and addresses on mailboxes shall be a uniform two (2") inches in height.

Section 6.19 Objectionable Sights.

No above or below ground fuel or other storage tanks shall be permitted within a Unit without the Association's prior written consent. Any above ground storage tanks permitted by the Association shall be completely screened from view from any area outside of the Unit in which the storage tank is located with evergreen hedges or other appropriate landscaping. Stockpiling and storage of building and landscape materials and/or equipment shall not be permitted on any Unit, except for materials and/or equipment which are used within a reasonable length of time. In no event shall landscape materials be stored for a period of more than thirty (30) days. Stockpiling and storage of firewood for use in a dwelling shall be permitted only in that area of a Unit to the rear of and adjacent to the dwelling, or in another location within the Unit where it is completely screened from view from any area outside of the Unit. No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any Unit without the prior written consent of the Association. No laundry drying equipment shall be erected or used outdoors and no laundry shall be hung for drying outside of a dwelling. No television or radio antennae or satellite dish shall be constructed or erected upon the exterior of any dwelling on any Unit, without the prior written approval of the Association, except those satellite dish/antenna which are less than twenty-four (24") inches in diameter. Any permitted satellite dish/antenna which is installed in the yard of any yard shall be properly screened from view as provided for in this Section 6.19.

Section 6.20 Maintenance.

The Co-owner of each Unit shall keep all buildings and grounds within the Unit in good condition and repair. The Co-owner of each Unit shall be responsible for keeping all driveways, walkways and sidewalks within his/her Unit clean and free of debris and shall be solely responsible for snow removal with respect to such driveways and sidewalks. Each Co-owner shall also use due care to avoid damaging any of the Common Elements, including but not limited to, utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for the repair and restoration of any damage to any Common Elements or damage to any other Co-owner's Unit or improvements thereon, resulting from the negligent acts or omissions of a Co-owner, his family, guests, agents or invitees, except to the extent the Association obtains insurance proceeds for such repair or restoration; provided, however, that if the insurance proceeds obtained by the Association are not sufficient to pay for the costs of repair or restoration, the Association may assess the Co-owner for the excess amount necessary to pay for the repair and restoration.

Any damage to roads, road shoulders, ditches and right-of-way, drainage ways, underground utility lines, sedimentation controls, or any Common Element from the construction activities of any Co-owner, or their contractors and agents, shall be repaired at the sole cost and expense of such responsible Co-owner. Damage shall be defined by the Washtenaw County Road Commission (the "Road Commission"), the Washtenaw County Drain Commission (the "Drain Commission"), or Association, as the case may be, including but not limited to, broken or cracked pavement, squashed or damaged culverts and catch basins, ruts in drainage ways and right-of-ways, soil erosion and sedimentation, and improper grading. If damage occurs, the Association shall give written notice to

the responsible Co-owner as to the extent of such damage. The Co-owner shall repair such damage within thirty (30) days from receipt of written notice. Time extensions may be granted due to adverse weather conditions, if such damage is not repaired to the reasonable satisfaction of the Road Commission, Drain Commission, or Association as the case may be, following the expiration of such thirty (30) day period, or any extension thereof, the Association shall have the right to repair, or cause to be repaired, such damage and assess the cost against such Unit; provided, however, such cost shall not exceed the reasonable cost for performing such work. Any costs shall be due and payable thirty days from the date the Co-owner receives a statement and shall constitute a lien against such Unit and shall be collected in the manner set forth in Article II. In addition to the foregoing, the Association may take such other action available at law or in equity.

Section 6.21 Restrictions Regarding Lakes and Lakefront Units.

The Lakes and all Lakefront Units and Common Elements abutting a Lake shall be subject to the following restrictions:

- (a) All shorelines of Units 1 through 21, inclusive and 27 to 44 inclusive (individually, a "Lakefront Unit", collectively, the "Lakefront Units"), and Common Elements abutting a Lake shall be secured with vegetation which shall be maintained in order to prevent erosion of the shoreline. No deciduous trees, shrubs or bushes of any kind shall be planted within fifty (50) feet of any Lakefront Unit shoreline. Evergreen trees and shrubs shall be permitted to be installed within fifty (50) feet of the shoreline of a Lakefront Unit, but no closer than ten (10) feet from the shoreline. No seed may be installed within twenty (20) feet of the shoreline of a Lakefront Unit. All air conditioning compressor units and water pumps must be screened from the Lake by evergreen hedge or other visual barrier as provided for in Section 6.17 of these Bylaws. In addition, any Co-owners of Lakefront Units are permitted to have a maintained beach as determined by the Bylaws and specifically addressed in Section 6.15 *Landscaping and Grass Cutting*.
- (b) The Association shall be responsible for the maintenance and repair of the Lakes and all improvements installed to maintain the Lakes, including any Lake Level Control Structure installed to maintain any Lake's water level. The Association reserves the right to alter the water level of the Lakes to a level no more than two (2') feet above any Lake's high water level, subject to the ordinances, rules and regulations of any governmental entities having jurisdiction over the Lakes and any maintenance agreements entered into between the Association and any governmental entity with respect to the maintenance, upkeep and repair of the Lakes.
- (c) The Lakes are a General Common Element and may be used by all Co-owners for recreation purposes as provided for in this Section 6.21. All Co-owners who do not own Lakefront Units shall only access the lakes by using the General Common Elements as identified on the Condominium Subdivision Plan. No improvements or structures shall be installed within the Lakes, other than improvements and structures which are directly necessary for the proper functioning of the Lakes, except the Co-owner of a Lakefront Unit may install one (1) dock along the shoreline of his/her Lakefront Unit, subject to the approval of the Association as provided for in these Bylaws. No dock shall exceed twenty (20') feet in length, extend more than twenty (20') feet from the shoreline or be wider than five (5') feet. No Co-owner other than the Co-owner of a Lakefront Unit shall install a dock within the Lakes.
- (d) No internal combustion engine-operated vehicles or watercraft of any kind, including jet skis, waverunners, similar watercraft, snowmobiles, or all-terrain vehicles shall be allowed within or on the Lake. However, electrically powered watercraft, sailboats and human-powered watercraft such as paddle boats, canoes and rowboats shall be permitted. The Association shall have the right to establish additional rules and regulations with respect to the preservation, upkeep, and activities allowed within the Lakes as the Association's Board of Directors may deem necessary or desirable to insure the proper preservation of the Lakes. However, no diving shall be permitted on or within the Lakes and the Association shall not be

required to provide lifeguards for the Lakes. Accordingly, all Co-owners and their permitted invitees and guests shall proceed at their own risk when using the Lakes for any of the aforementioned permitted activities.

Section 6.22 Structures in Limited Common Elements and Easements: Maintenance.

No structures of any kind may be installed within any Limited Common Elements or within any easements within the Project without the prior written approval of the Association. Each Co-owner shall be responsible for maintenance of the public right-of-way located in front of his/her Unit between the Unit lines and the edges of street pavements on which said Units abut. If a ditch or drainage course exists within such right-of-way, then the Co-owner shall be responsible for the maintenance thereof. The standard for maintenance of the right-of-way shall be the same as that set forth in Section 6.18 above. Maintenance of any ditch or drainage course shall also include the duty to provide positive storm water drainage/flow through the ditch from one side of the Unit to the other, free from obstruction by the intentional or accidental placement of earth materials, vegetation, debris, construction materials and the like. In the event a Co-owner fails to maintain his/her right-of-way as provided for herein, the Association shall give written notice to the Co-owner of their failure to maintain and the remedial actions necessary to properly maintain. The Co-owner shall complete such maintenance within fifteen (15) days from receipt of written notice. Time extensions may be granted due to adverse weather conditions. If such maintenance is not completed to the reasonable satisfaction of the Association, as the case may be, following the expiration of such fifteen (15) day period, or any extension thereof, the Association, as the case may be, shall have the right to enter upon the Co-owner's Unit, complete the required work and assess the cost against such Unit; provided, however, such cost shall not exceed the reasonable cost for performing such work. Any costs shall be due and payable thirty (30) days from the date the Co-owner receives a statement and shall constitute a lien against such Unit and shall be collected in the manner set forth in Article II. In addition to the foregoing, the Association may take such other action available at law or in equity.

Section 6.23 Architectural Controls.

It is understood and agreed that the purpose of architectural controls is to promote an attractive, harmonious residential development having continuing appeal. Accordingly, unless and until construction plans and specification are submitted to, and approved in writing by, the Association, (i) no dwelling, building, fence, wall or other structure shall be commenced, erected or maintained, and (ii) no addition, change or alteration to any dwelling or other structure shall be made, except for interior alterations.

All plans, specifications and other related materials shall be filed in the office of the Association, or with any agent specified by the, Association for approval or disapproval. Said construction plans and specifications shall show the nature, kind, shape, height, materials (including samples of exterior building materials upon request); the approximate cost of such building or other structure; the proposed drainage of surface water; the location and grade of the septic tank, septic field and related facilities, the well and all buildings, structures and improvements; and the utilities and parking areas for the subject Unit. A Co-owner shall submit, two (2) copies of the foregoing documents, and the Association shall have the right to retain one (1) copy for its records. The Association shall have the authority to review, approve or disapprove all or any part of the plans or specifications. The Association shall have the right to refuse to approve all or any part of any plans or specifications or grading plans, which are not suitable or desirable, in the discretion of the Association, for aesthetic or other reasons. In considering such plans and specifications, the Association shall have the right to take into consideration the compatibility of the proposed building or other structures with the surroundings and the effect of the building or other structure on the view from adjacent or neighboring properties. It is desired that the natural landscape and trees be left in their natural state as much as possible or practical. Notwithstanding anything to the contrary contained herein, all

decisions made by Association as provided for herein shall be subject to and shall not supersede the PUD or any law, ordinance, rule or regulations of any governmental authority having jurisdiction over the Condominium Project.

A report in writing setting forth the decision of the Association, and the reasons for such decision, shall be furnished by the Association to the applicant within thirty (30) days from the date the Association receives a complete set of architecturally sealed plans, specifications and other materials from the applicant. The Association will aid and cooperate with prospective builders and make suggestions based upon its review of preliminary sketches. Prospective builders are encouraged to submit preliminary sketches for informal comment prior to the submission of architectural drawings and specifications. If the Association fails to give written notice of its approval of any final architectural plans and/or specifications submitted pursuant to the requirements of this Section 6.23 within thirty (30) days from the date they are submitted, the Association shall be deemed to have rejected the plans and specifications. The Association shall be entitled to charge each applicant a review fee in an amount not to exceed Two Hundred Fifty and 00/100 (\$250.00) Dollars, to reimburse the Association for any actual costs incurred in connection with the review of said applicant's plans, specifications and related materials. Neither the Association nor any person(s) or entity(ies) to which it delegates any of its rights, duties or obligations hereunder, including, without limitation, the Association, shall incur any liability whatsoever for approving or failing or refusing to approve all or any part of any submitted plans and/or specifications. The Association hereby reserves the right to enter into agreements with the Co-owners of any Unit(s) (without the consent of Co-owners of other Units or adjoining or adjacent property) to deviate from any or all of the restrictions set forth in this Article VI, provided that said Co-owner demonstrates that the application of the particular restriction(s) in question would create practical difficulties or hardships for said Co-owner. Any such deviation shall be evidenced by a written agreement and no such deviation or agreement shall constitute a waiver of any such restriction as to any other Unit or Co-owner. Only the Association, or a committee designated by the Association, shall have the right to exercise the architectural controls described in this Section 6.23. At the expiration of the Construction and Sales Period, the rights exercisable by the Developer under this Section 6.23 shall be exercised by the Board of Directors of the Association.

Section 6.24 Leasing and Rental.

- (a) **Right to Lease.** A Co-owner may lease the dwelling constructed within the perimeters of his Unit for the purposes set forth in Section 6.1; 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 first mortgage lender in possession of a Unit as a result of foreclosure or a conveyance or assignment in lieu of foreclosure, no Co-owner shall lease less than the entire dwelling on his Unit in the Condominium and no tenant shall be permitted to occupy a dwelling except under a lease having an initial term of at least six (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.
- (b) **Leasing Procedures.** The leasing of Units in the Project shall conform to the following:
- (1) A Co-owner desiring to rent or lease a Unit, shall provide the Association, at least ten (10) days prior to presenting a lease form to a potential lessee, with a written notice of the Co-owner's intent to lease his Unit, together with a copy of the exact lease form that the Co-owner intends to use, for the review and approval of the Association. The Association shall be entitled to request that changes be made to the lease form that are necessary to insure that the lease will comply with the

Condominium Documents.

- (2) Tenants or non-owner occupants shall comply with all of the provisions of the Condominium Documents and all leases and rental agreements shall incorporate this requirement.
- (3) If the Association determines that the tenant or non-owner occupant has failed to comply with the provisions of the Condominium Documents, the Association may take the following actions:
 - (i) The Association shall notify the Co-owner by certified mail of the alleged violation by the tenant or occupant.
 - (ii) The Co-owner shall have fifteen (15) days from his receipt of such notice to investigate and correct the alleged breach by the tenant or occupant or advise the Association that a violation has not occurred.
 - (iii) If, at the expiration of the above-referenced fifteen (15) day period, the Association believes that the alleged breach is not cured or may be repeated, the Association may institute on behalf of the Association a summary proceeding eviction action against the tenant or non-owner occupant. The Association may simultaneously, bring an action for damages against the Co-owner and tenant or non-owner occupant for breach of the Condominium Documents. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium Project and for actual legal fees incurred by the Association in connection with legal proceedings hereunder.
- (4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to the tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from the rental payments due to the Co-owner the amount of the arrearage and all future assessments as they fall due and shall pay such amounts directly to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant. The form of lease used by Co-owner shall explicitly contain the foregoing provisions.

Section 6.25 Rules and Regulations.

It is intended that the Board of Directors of the Association may adopt 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 adopted and amended from time to time by any Board of Directors prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners. Any such regulation or amendment may be revoked at any time by the affirmative vote of greater than 50% of the Co-owners in value.

Section 6.26 Reserved Rights of Developer. (deleted)

ARTICLE VII MORTGAGES

Section 7.1 Notice to Association.

Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the

mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units". The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within sixty (60) days.

Section 7.2 Insurance.

The Association shall notify each mortgagee appearing in the book referenced in Section 7.1 of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

Section 7.3 Notification of Meetings.

Upon request submitted to the Association, any institutional holder of a first mortgage lien on a Unit 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 8.1 Vote.

Except as otherwise specifically provided in these Bylaws, each Co-owner shall be entitled to one vote for each Condominium Unit owned. With respect to those Sections of these Bylaws which require votes to be cast on a percentage of value basis, each Co-owner's Unit shall be assigned the number votes proportionate, to the percentage of value pertaining to such Co-owner's Unit.

Section 8.2 Eligibility to Vote.

No Co-owner shall be entitled to vote at any meeting of the Association until he has presented to the Association evidence that the Co-owner owns a Unit. 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 8.3 below or by a proxy given by such individual representative.

Section 8.3 Designation of Voting Representative.

Each Co-owner shall file with the Association a written notice 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 the Co-owner. If a Co-owner designates himself as the individual representative, he need not file any written notice with the Association. The failure of any Co-owner to file any written notice with the Association shall create a presumption that the Co-owner has designated himself as the voting representative. The notice shall state the name and address of the individual representative designated, the address of the Unit or Units owned by the Co-owner and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-owner. The notice shall be signed and dated by the Co-owner. An individual representative may be changed by the Co-owner at any time by filing a new notice in accordance with this Section 8.3. In the event a Unit is owned by multiple Co-owners who fail to designate an individual voting representative for such Co-owners, the Co-owner whose name first appears on record title shall be deemed to be the individual representative authorized to vote on behalf of all the multiple Co-owners of the Unit(s) and any vote cast in person or by proxy by said individual representative shall be binding upon all such multiple Co-owners.

Section 8.4 Quorum.

The presence in person or by proxy of Co-owners representing fifty (50%) percent of the total number of votes of all Co-owners qualified to vote (based on one vote per Unit for quorum purposes) 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 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 8.5 Voting.

Votes may be cast in person or by proxy 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 8.6 Majority.

When an action is to be authorized by vote of the Co-owners of the Association, the action must be authorized by a majority of the votes cast at a meeting duly called for such purpose, unless a greater percentage vote is required by the Master Deed, these Bylaws or the Act.

ARTICLE IX MEETINGS

Section 9.1 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 generally recognized rules of parliamentary procedure, which are not in conflict with the Condominium Documents or the laws of the State of Michigan.

Section 9.2 First Annual Meeting. (Deleted)

Section 9.3 Annual Meetings.

Annual meetings of Association Members shall be held, not later than May 30 at a time and place determined by the Board of Directors. At each annual meeting, the Co-owners shall elect members of the Board of Directors in accordance with Article XI of these Bylaws. The Co-owners may also transact at annual meetings such other Association business Association as may properly come before them.

Section 9.4. Special Meeting.

The President shall call a special meeting of Members as directed by resolution of the Board of Directors or upon presentation to the Association's Secretary of a petition signed by Co-owners representing at least one third (1/3) of the votes of all Co-owners qualified to vote (based upon one vote per Unit). 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 9.5 Notice of Meetings.

The Secretary (or other Association officer in the secretary's absence) shall provide each Co-owner of record, or, if applicable, a Co-owner's individual representative, with notice of each annual or special meeting, stating the purpose thereof and the time and place where it is to be held. A notice of an annual or special meeting shall be served at least 10 days but not more than 60 days prior to each meeting. The mailing, postage prepaid, of a notice to the individual representative of each Co-owner at the address shown in the notice filed with the Association under Section 8.3 of these Bylaws shall be deemed properly served. Any Co-owner or individual representative may waive such notice, by filing with the Association a written waiver of notice signed by such Co-owner or individual representative.

Section 9.6 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. When a meeting is adjourned to another time or place, it is not necessary to give notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken and only such business is transacted at the adjourned meeting as might have been transacted at the original meeting. However, if after the adjournment, the Board of Directors fixes a new record date for the adjourned meeting, a notice of adjourned meeting shall be given to each Co-owner or Co-owner's individual representative.

If a meeting is adjourned in accordance with the provisions of this Section 9.6 due to the lack of a quorum, the required quorum at the subsequent meeting shall be two thirds (2/3) of the required quorum for the meeting that was adjourned, provided that the Board of Directors provides each Co-owner (or Co-owner's individual representative) with notice of the adjourned meeting in accordance with Section 9.5 above and provided further the subsequent days from the date of the adjourned meeting.

Section 9.7 Action Without Meeting.

If the Association's Articles of Incorporation so provide, any action required or permitted to be taken at any meeting of Members may be taken without a meeting, without prior notice and without a vote, if a written consent, setting forth the actions so taken, is signed by the Co-owners (or their individual representatives) having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all Co-owners entitled to vote thereon were present and voted. Prompt notice of any action that is taken without a meeting by less than unanimous written consent shall be given to the Co-owners who have not consented in writing.

ARTICLE X ADVISORY COMMITTEE (deleted)

ARTICLE XI BOARD OF DIRECTORS

Section 11.1 Number and Qualification of Directors.

The Board of Directors shall be comprised of five (5) Directors. All Directors must be Co-owners, or officers, partners, trustees or employees of Co-owners that are entities.

Section 11.2 Election of Directors.

(a) First Board of Directors.—(deleted)

(b) Appointment of Non-developer Co-owners to Board prior to First Annual Meeting.(deleted)

(c) Election of Directors at and after First Annual Meeting.

~~(i)~~ (deleted)

~~(ii)~~ (deleted)

~~(iii)~~ (deleted)

(iv) At such time as the non-Developer Co-owners are entitled to elect all of the Directors, three (3) Directors shall be elected for a term of two (2) years and two (2) Directors shall be elected for a term of one (1) year. At such meeting, all nominees shall stand for election as one slate and the three (3) persons receiving the highest number of votes shall be

elected for a term of two (2) years and the two (2) persons receiving the next highest number of votes shall be elected for a term of one (1) year. At each annual meeting held thereafter, either two (2) or three (3) Directors shall be elected depending upon the number of Directors whose terms expire, and the term of office of each Director shall be two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 11.3 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 which are not prohibited by the Condominium Documents or specifically required to be exercised and performed by the Co-owners.

Section 11.4 Specific Powers and Duties.

In addition to the duties imposed by these Bylaws or any further duties which may be imposed by resolution of the Co-owners of the Association, the Board of Directors shall have the following powers and duties:

- (a) To manage and administer the affairs of and maintain the Condominium Project and the Common Elements.
- (b) To collect assessments from the Co-owners and to expend the proceeds for the purposes of the Association.
- (c) To carry insurance and collect and allocate the proceeds thereof.
- (d) To reconstruct or repair 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 Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
- (g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association; provided, however, that any such action shall also be approved by the affirmative vote of the Co-owners (or their individual representatives) representing 75% of the total percentages of value of all Co-owners qualified to vote.
- (h) To establish rules and regulations in accordance with Section 6.25 of these Bylaws.
- (i) To establish such committees as the Board of Directors 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 exclusively performed by the Board.
- (j) To enforce the provisions of the Condominium Documents.

Section 11.5 Management Agent.

The Board of Directors may employ for the Association a professional management agent at a reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 11.3 and 11.4, 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 exclusively performed by or have the approval of the Board of Directors or the Members of the Association.

Section 11.6 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 Co-owners of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than

a quorum. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

Section 11.7 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 the Co-owners (or their individual representatives) who represent greater than fifty (50%) percent of the total votes of all Co-owners qualified to vote, and a successor may then and there be elected to fill any vacancy thus created. Any Director whose removal has been proposed by a Co-owner shall be given an opportunity to be heard at the meeting.

Section 11.8 First Meeting. (deleted)

Section 11.9 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 of the Association. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, telephone or telegraph at least ten (10) days prior to the date named for such meeting.

Section 11.10 Special Meetings.

Special meetings of the Board of Directors may be called by the President on three days' notice to each Director, given personally, by mail, telephone 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 on the written request of two or more Directors.

Section 11.11 Quorum and Required Vote of Board of Directors.

At all meetings of the Board of Directors, a majority of the members of the Board of Directors then in office shall constitute a quorum. The vote of the majority of Directors at a meeting at which a quorum is present constitutes the action of the Board of Directors, unless a greater plurality is required by the Michigan Non-profit Corporation Act, the Articles of Incorporation, the Master Deed or these Bylaws. If a quorum is not present at any meeting of the Board of Directors, the Directors present at such meeting may adjourn the meeting from time to time without notice other than an announcement at the meeting, until the quorum shall be present.

Section 11.12 Consent in Lieu of Meeting.

Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent in writing. The written consent shall be filed with the minutes of the proceedings of the Board of Directors. The consent has the same effect as a vote of the Board of Directors for all purposes.

Section 11.13 Participation in a Meeting by Telephone.

A Director may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 11.13 constitutes presence at the meeting.

Section 11.14 Fidelity Bonds.

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

Section 11.15 Compensation.

The Board of Directors shall not receive any compensation for rendering services in their capacity as Directors, unless approved by the Co-owners (or their individual representatives) who represent

60% or more of the total votes of all Co-owners qualified to vote.

ARTICLE XII OFFICERS

Section 12.1 Selection of Officers.

The Board of Directors, at a meeting called for such purpose, shall appoint a president, secretary and treasurer. The Board of Directors may also appoint one or more vice-presidents and such other officers, employees and agents as the Board shall deem necessary, which officers, employees and agents shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. Two or more offices, except that of president and vice-president, may be held by one person who may also be a Director. An officer shall be a Co-owner, or shareholder, officer, director, employee or partner of a Co-owner that is an entity.

Section 12.2 Term, Removal and Vacancies.

Each officer of the Association shall hold office for the term for which he is appointed until his successor is elected or appointed, or until his resignation or removal. Any officer appointed by the Board of Directors may be removed by the Board of Directors with or without cause at any time. Any officer may resign by written notice to the Board of Directors. Any vacancy occurring in any office may be filled by the Board of Directors.

Section 12.3 President.

The President shall be a Member of the Board of Directors and shall act as the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an Association, subject to Section 1 2.1.

Section 12.4 Vice President.

The Vice President shall take the place of the President and perform his 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 by the Board of Directors.

Section 12.5 Secretary.

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

Section 12.6 Treasurer.

The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, in such depositories as may, from time to time, be designated 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 14.1 Records.

The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be determined 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. Upon request, any institutional holder of a first mortgage lien on any Unit 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. The costs of any such audit and any accounting expenses shall be expenses of administration.

Section 14.2 Fiscal Year.

The fiscal year of the Association shall be an annual period commencing on the date initially determined by the Directors. The Association's fiscal year may be changed by the Board of Directors in its discretion.

Section 14.3 Bank Accounts.

The Association's funds shall initially be deposited in such bank or savings association as may be designated by the Directors. All checks, drafts and order of payment of money shall be signed in the name of the Association in such manner and by such person or persons as the Board of Directors shall from time to time designate for that purpose. The Association's funds may be invested from time to time in accounts or deposit certificates of such bank or savings association that are insured by the Federal Deposit Insurance Corporation of the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

ARTICLE XV INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 15.1 Third Party Actions.

To the fullest extent permitted by the Michigan Non-profit Corporation Act, the Association shall, subject to Section 15.5 below, indemnify any person who was or is a party defendant or is threatened to be made a party defendant to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Director or officer of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including actual and reasonable attorney fees), judgments, fines and amounts reasonably paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association or its members, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption (a) that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association or its members, and, (b) with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his conduct was unlawful.

Section 15.2 Actions In The Right Of The Association.

To the fullest extent permitted by the Michigan Non-profit Corporation Act, the Association shall, subject to Section 15.5 below, indemnify any person who was or is a party defendant to or is threatened to be made a party defendant of any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a Director or officer of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including actual and reasonable attorney fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit and amounts reasonably paid in settlement if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association or its members, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 15.3 Insurance.

The Association may purchase and maintain insurance on behalf of any person who is or was a Director, employee or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have power to indemnify him against such liability under Sections 15.1 and 15.2. In addition, the Association may purchase and maintain insurance for its own benefit to indemnify it against any liabilities it may have as a result of its obligations of indemnification made under Sections 15.1 and 15.2.

Section 15.4 Expenses Of Successful Defense.

To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 15.1 and 15.2, or in defense of any claim, issue, or matter therein, or to the extent such person incurs expenses (including actual and reasonable attorney fees) in successfully enforcing the provisions of this Article XV, he shall be indemnified against expenses (including attorney fees) actually and reasonably incurred by him in connection therewith.

Section 15.5 Determination that Indemnification is Proper.

Any indemnification under Sections 15.1 and 15.2 (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the person is proper under the circumstances, because he has met the applicable standard of conduct set forth in Section 15.1 or 15.2, whichever is applicable. Notwithstanding anything to the contrary contained in this Article XV, in no event shall any person be entitled to any indemnification under the provisions of this Article XV if he is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties. The determination to extend such indemnification shall be made in any one (1) of the following ways:

- (a) By a majority vote of a quorum of the Board of Directors consisting of Directors who were not parties to such action, suit or proceeding;
- (b) If such quorum described in (a) is not obtainable, then by a majority vote of a committee of Directors who are not parties to the action, suit or proceeding. The committee shall consist of not less than two (2) disinterested Directors; or
- (c) If such quorum described in (a) is not obtainable (or, even if obtainable, a quorum of disinterested Directors, so directs), by independent legal counsel in a written opinion.

If the Association determines that full indemnification is not proper under Sections 15.1 or 15.2, it may

nonetheless determine to make whatever partial indemnification it deems proper. At least ten (10) days prior to the payment of any indemnification claim which is approved, the Board of Directors shall provide all Co-owners with written notice thereof.

Section 15.6 Expense Advance.

Expenses incurred in defending a civil or criminal action, suit or proceeding described in Section 15.1 and 15.2 may be paid by the Association in advance of the final disposition of such action, suit, or proceeding as provided in Section 15.4 upon receipt of an undertaking by or on behalf of the person involved to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association. At least ten (10) days prior to advancing any expenses to any person under this Section 15.6, the Board of Directors shall provide all Co-owners with written notice thereof.

Section 15.7 Former Representatives, Officers, Employees or Agents.

The indemnification provided in this Article XV shall continue as to a person who has ceased to be a Director, officer, employee or agent of the Association and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 15.8 Changes in Michigan Law.

In the event of any change of the Michigan statutory provisions applicable to the Association relating to the subject matter of this Article XV, the indemnification to which any person shall be entitled hereunder arising out of acts or omissions occurring after the effective date of such amendment shall be determined by such changed provisions. No amendment to or repeal of Michigan law with respect to indemnification shall restrict the Association's indemnification undertaking herein with respect to acts or omissions occurring prior to such amendment or repeal. The Board of Directors are authorized to amend this Article XV to conform to any such changed statutory provisions.

ARTICLE XVI AMENDMENTS

Section 16.1 By Developer. (deleted)

Section 16.2 Proposal.

Amendments to these Bylaws may be proposed by the Board of Directors of the Association upon the vote of the majority of the Directors or may be proposed by 1/3 or more in number of the Co-owners by a written instrument identifying the proposed amendment and signed by the applicable Co-owners.

Section 16.3 Meeting.

If any amendment to these Bylaws is proposed by the Board of Directors or the Co-owners, a meeting for consideration of the proposal shall be duly called in accordance with the provisions of these Bylaws.

Section 16.4 Voting.

These Bylaws may be amended by the Co-owners at any regular meeting or a special meeting called for such purpose by an affirmative vote of 66-2/3% or more of the total votes of all Co-owners qualified to vote, as determined on a percentage of value basis. 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 all mortgagees of Units shall be required. Each mortgagee shall have one vote for each mortgage held.

Section 16.5 Effective Date of Amendment.

Any amendment to these Bylaws shall become effective upon the recording of such amendment in the office of the Washtenaw County Register of Deeds.

Section 16.6 Binding Effect.

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

ARTICLE XVII COMPLIANCE

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

ARTICLE XVIII REMEDIES FOR DEFAULT

Any default by a Co-owner of its obligations under any of the Condominium Documents shall entitle the Association or another Co-owner or Co-owners to the following relief:

Section 18.1 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 limitation, an action to recover damages, injunctive relief, foreclosure of lien (if there is a default in the payment of an 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 18.2 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 attorneys' 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 attorneys' fees.

Section 18.3 Removal and Abatement.

The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit and the improvements thereon, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure or condition existing or maintained in violation of the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its rights under this Section 18.3.

Section 18.4 Assessment of Fines.

The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for the assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the applicable Co-owner. No fine may be assessed unless rules and regulations establishing such fines have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Section 9.5 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owner, and an opportunity for such Co-owner to appear before the Board no less than seven days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed

may be collected in the same manner as provided in Article II of these Bylaws. No fine shall be levied for the first violation. No fine shall exceed \$25 for the second violation, \$50 for the third violation or \$100 for any subsequent violation.

Section 18.5 Non-waiver of Rights.

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 18.6 Cumulative Rights, Remedies and Privileges.

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

Section 18.7 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 XIX
RIGHTS RESERVED TO DEVELOPER
(deleted)**

ARTICLE XX 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 invalidity 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.

RATIFICATION:

In all other respects the original Master Deed of Mirage Lake Condominium, including the Condominium Subdivision Plan, together with all previous amendments still in effect, are ratified and confirmed and continue in full force and effect.

IN WITNESS WHEREOF, the Association as caused this Eighth Amendment to the Master Deed to be executed the day and year first above written.

MIRAGE LAKE CONDOMINIUM ASSOCIATION

By: _____
Michael Maynard, its President

By: _____
Robert Peterson, its Secretary

By: _____
Michael St. John, its Treasurer

STATE OF MICHIGAN)
)ss
COUNTY OF _____)

On this ____ day of _____ 2025, the foregoing Eighth Amendment to the Master Deed of the Mirage Lake Condominium was sworn and acknowledged before me by President Michael Maynard, Secretary Robert Peterson, and Treasurer Michael St. John on behalf of the Mirage Lake Condominium Association.

_____, Notary Public

State of Michigan, County of _____.

My commission expires _____.

Acting in the County of _____.

Drafted by and when recorded return to:
Michael J. St. John
Mirage Lake Condominium Association
P.O. Box 161
Milan, MI 48160