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**PIETY HILL PLACE ASSOCIATION**

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**THIRD AMENDMENT  
TO  
MASTER DEED**

**PIETY HILL PLACE**

**(AMENDED AND RESTATED MASTER DEED)  
(Act 59, Public Acts of 1978 as amended)**

HIP  
K

This Amended and Restated Master Deed is made this 14<sup>th</sup> day of August, 2014, by Piety Hill Place Association, a Michigan Non-Profit Corporation, hereinafter referred to as "Association," whose office is located at 22725 Greater Mack Ave., A100, St. Clair Shores, Michigan, 48080.

**WHEREAS**, Piety Hill Place, was established pursuant to the Master Deed thereof recorded on June 6, 1977 in Liber 2961, Pages 176 through 204, Oakland County Records and designated as Oakland County Condominium Subdivision Plan No.227; and,

**WHEREAS**, a First Amendment to the Master Deed recorded was recorded on August 13, 1992 in Liber 12829, Page 393, Oakland County Records; and,

**WHEREAS**, a Second Amendment to the Master Deed recorded was recorded on August 11, 1995 in Liber 15585, Pages 817 through 820, Oakland County Records; and,

**WHEREAS**, the Association desires by recording this Amended and Restated Master Deed, together with the Amended and Restated Condominium Bylaws attached hereto as Exhibit "A" to reaffirm the establishment of the real property described below, together with all of the improvements now located upon such real property and the appurtenances thereto, as a residential Condominium Project under the provisions of the Condominium Act of Michigan. This Amended and Restated Master Deed was approved by more than two-thirds (2/3rds) of the Co-owners and the Amended and Restated Condominium Bylaws is based upon the consent of at least sixty (60%) percent of the Co-owners of Units in the Condominium. No changes have been made to the Condominium Subdivision Plan attached to and recorded with the Master Deed as recited above.

19-36-135-000

**NOW THEREFORE**, the Association does, upon the recording hereof, reaffirm the establishment of Piety Hill Place as a Condominium under the Condominium Act and does declare that Piety Hill Place (hereinafter referred to as the "Condominium," "Project" or the "Condominium Project"), shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Amended and Restated Master Deed and Exhibit "A" hereto, all of which shall be deemed to run with the real property described below and shall be a burden and a benefit to the Association, its successors, and assigns, and any persons acquiring or owning an interest in such real property, their grantees, successors, heirs, executors, administrators and assigns. This Amended and Restated Master Deed and the Amended and Restated Condominium Bylaws shall replace and supersede the original Master Deed, the Condominium Bylaws and the Association Bylaws of Piety Hill Place as previously amended. In furtherance of the establishment of the Condominium Project, it is provided as follows:

## ARTICLE I

### TITLE AND NATURE

The Condominium Project shall be known as Piety Hill Place, Oakland County Condominium Subdivision Plan No. 227. The architectural plans for the Project were approved by the City of Birmingham, Michigan. The Condominium Project is established in accordance with the Act. The buildings and Units contained in the Condominium, including the number, boundaries, dimensions, area and volume of each Unit therein are set forth completely in the Condominium Subdivision Plan. The building contains individual Units for residential purposes and each Unit is capable of individual utilization on account of having its own entrance from and exit to a Common Element of the Condominium Project. Each Co-owner in the Condominium Project shall have an exclusive right to his Unit and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium Project as are designated by the Master Deed.

## ARTICLE II

### LEGAL DESCRIPTION

The land which was submitted to the Condominium Project established by the original Master Deed is particularly described as follows:

Land in the City of Birmingham, County of Oakland, State of Michigan described as:

Parcel I: Lots 47, 48, 49 and 50 and vacated alley between Lots 48 and 49 and 1/2 vacated alley East of and adjacent to Lot 47 of "Castle addition to the Village (now City) of Birmingham",

being a part of the Northwest 1/4 of Section 36, Town 2 North, Range 10 East, Oakland County, Michigan, as recorded in Liber 3, page 9 of plats, Oakland County Records.

Parcel II: Lots 8, 9, 10 and 11 except that part deeded to City of Birmingham by Deed recorded in Liber 4958, Pages 853 and including the vacated alley between Lots 8 and 9, "Bird and Stanley's addition to the Village, (now City) of Birmingham", Oakland County, Michigan as recorded in Liber 3, Page 7 of Plats, Oakland County Records.

### ARTICLE III

#### DEFINITIONS

Certain terms are utilized not only in this Amended and Restated Master Deed and Exhibits "A" and "B" hereto, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation and Rules and Regulations of the Piety Hill Place Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in Piety Hill Place, as a Condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

(a) The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

(b) "Association" shall mean the non-profit corporation organized under Michigan law of which all Co-owners shall be members and which corporation shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

(c) "Condominium Bylaws" means Exhibit "A" hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Section 153 of the Act to be recorded as part of the Master Deed, as amended.

(d) "Unit" means the enclosed space constituting a single complete residential Unit in Piety Hill Place as such space may be described on Exhibit "B" hereto, and shall have the same meaning as the term "Condominium Unit" as defined in the Act.

(e) "Condominium Documents" wherever used means and includes this Amended and Restated Master Deed and Exhibits "A" and "B" hereto, the Articles of Incorporation and the Rules and Regulations, if any, of the Association.

(f) "Condominium Project", "Condominium" or "Project" each mean Piety Hill Place as an approved Condominium Project established in conformity with the provisions of the Act.

(g) "Condominium Subdivision Plan" means Exhibit "B" hereto.

(h) "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which own one or more Units in the Condominium Project. The term "owner", wherever used, shall be synonymous with the term "Co-owner".

(i) "Condominium Premises" means and includes the land and the buildings, all improvements and structures thereof, and all easements, rights and appurtenances belonging to Piety Hill Place as described above.

(j) "Common Elements," where used without modification, means both the General and Limited Common Elements described in Article IV hereof.

(k) Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference shall also be included to the plural where the same would be appropriate.

## ARTICLE IV

### COMMON ELEMENTS

A. The General Common Elements are:

(1) The land described in Article II hereof, including driveways, roads, sidewalks and unassigned parking spaces.

(2) The electrical wiring network throughout the Project up to and including the circuit breaker box within any Unit.

(3) The gas line network throughout the Project, including that contained within Unit walls, up to the point of connection with gas fixtures within any Unit.

(4) The telephone wiring network throughout the Project up to the point where the wiring enters any Unit.

(5) The heating and air conditioning system including the air handler located within each Unit throughout the Project.

(6) The water distribution system throughout the Project including that contained within Unit walls, up to and including the shutoff valves for plumbing fixtures within any Unit.

(7) The storm drainage system throughout the Project.

(8) The sanitary sewer system throughout the Project up to the point that such system enters the Unit through the floor or wall.

(9) Foundations, supporting columns, Unit perimeter walls (including windows and doors therein), roofs, ceilings, floor construction between Unit levels and chimneys.

(10) The laundry room and laundry facilities located therein.

(11) The basement of the building and the mechanical and electrical equipment contained therein; provided, however, that the Association may, for convenience, assign one locker storage space in the basement for the use of each Co-owner which locker space may, nevertheless, be reassigned by and at the discretion of the Association for a reasonable purpose.

(12) Corridors, vestibules, lobbies, stairways, elevators, maintenance room, exercise room and the Community Room.

(13) Lobby intercom system including the handset located within each Unit.

(14) Such other elements of the Project not herein designated as General or Limited Common Elements which are not enclosed within the boundaries of a Unit, and which are intended for common use or necessary to the existence, upkeep and safety of the Project.

B. The Limited Common Elements are:

(1) Each covered parking space in the Condominium Project as designated on Exhibit "B" hereto shall be a Limited Common Element appurtenant to the Unit to which it shall be assigned in the initial conveyance of such Unit to the Co-owner thereof.

(2) Each individual balcony in the Project is restricted in use to the Co-owner of the Unit which opens into such balcony as shown on Exhibit "B" hereto.

(3) The interior surfaces of Unit perimeter walls (including windows and doors therein), ceilings and floors contained within a Unit shall be subject to the exclusive use and enjoyment of the Co-owner of such Unit.

C. The respective responsibilities for the maintenance, decoration, repair, and replacement are as follows:

(1) The costs of decoration and maintenance (but not repair or replacement except in cases of Co-owner fault) of all surfaces referred to in Article IV B (3) above shall be borne by the Co-owner of each Unit to which such Limited Common Elements are appurtenant.

(2) The costs of municipal water charges and charges related to heating and air conditioning for the entire Project, except for the thermostat and electricity to operate the HVAC blower in each Unit shall be borne by the Association. Each Co-owner shall be responsible for replacing the air handler filters on a regular basis. The filter shall be provided by the Association.

(3) The costs of maintenance, repair and replacement of all General and Limited Common Elements other than as described above shall be borne by the Association.



No Co-owner shall use his Unit or the Common Elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of any other Co-owner in use and enjoyment of his Unit or the Common Elements.

ARTICLE V

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

A. Each Unit in the Project is described in this paragraph with reference to the Condominium Subdivision Plan of Piety Hill Place as surveyed by Professional Engineering Associates, Inc., and attached as Exhibit "B" to the original Master Deed. Each Unit shall include all that space contained within the interior finished unpainted walls and ceilings and from the finished subfloor all as shown on the floor plans and sections in said Exhibit "B" and delineated with heavy outlines. Building elevations are shown in detail in architectural plans on 35 millimeter microfilm aperture cards on file with the Michigan Department of Commerce.

B. The percentage of value assigned to each Unit is set forth in subparagraph C below. The percentage of value assigned to each Unit shall be determinative of the proportionate share of each respective Co-owner in the proceeds and expenses of the administration and the value of such Co-owner's vote at meetings of the Association of Co-owners. The total percentage value of the Project is 100%. The percentage of value allocated to each Unit may be changed only with the unanimous consent of all of the Co-owners expressed in an amendment to this Amended and Restated Master Deed, duly approved and recorded.

C. Set forth below are:

- (a) Each Unit number as it appears on the Condominium Subdivision Plan.
- (b) Apartment number assigned
- (c) The percentage of value assigned to each Unit.

Condominium Subdivision Plan Unit Number	Apartment Number	Percentages of Value Assigned
1	110	2.85
2	101	2.45
3	109	2.49
4	102	2.33
5	108	2.32
6	103	2.33
7	107	2.44

8	104	2.49
9	106	2.45
10	105	2.85
11	210	2.85
12	201	2.45
13	209	2.49
14	202	2.33
15	208	2.32
16	203	2.33
Condominium Subdivision Plan Unit Number	Apartment Number	Percentages of Value Assigned
17	207	2.44
18	204	2.49
19	206	2.45
20	205	2.85
21	310	2.85
22	301	2.45
23	309	2.49
24	302	2.33
25	308	2.32
26	303	2.33
27	307	2.44
28	304	2.49
29	306	2.45
30	305	2.85
31	410	2.85
32	401	2.45
33	409	2.49
34	402	2.33
35	408	2.32
36	403	2.33
37	407	2.44
38	404	2.49
39	406	2.45
40	405	2.85

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## ARTICLE VI

### EASEMENTS

In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling, or moving of a building, or due to survey errors, construction deviations,



# PIETY HILL PLACE

## AMENDED AND RESTATED CONDOMINIUM BYLAWS

### (EXHIBIT "A" TO THE MASTER DEED)

#### ARTICLE I

##### ASSOCIATION OF CO-OWNERS

**Section 1. Association.** Piety Hill Place, a residential Condominium located in the City of Birmingham, County of Oakland, State of Michigan, shall be administered by Piety Hill Place Association, an Association of Co-owners which shall be a nonprofit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Amended and Restated Master Deed, these Bylaws, the Articles of Incorporation, the duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan.

These Bylaws shall constitute the Bylaws referred to in the Amended and Restated Master Deed and required by Section 3 (8) of Act No. 59 of the Michigan Public Acts of 1978, (the Condominium Act), as amended (hereinafter the "Act") and the Michigan Nonprofit Corporation Act.

**Section 2. Membership; No Refunds of Reserves.** Each Co-owner shall be a member of the Association and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Co-owner's Unit in the Condominium.

A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve or other asset of the Association. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Condominium Documents for the Condominium available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium. All Co-owners in the Condominium and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

#### ARTICLE II

##### ASSESSMENTS

All expenses arising from the management, administration and operation of the Association pursuant to the Condominium Documents and the Act shall be levied by the

Association against the Units and the Co-owners thereof in accordance with the following provisions:

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

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

**(a) Budget, Additional Assessments.** The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall Project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Co-owner's obligation to pay the allocable share of the common expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget each Unit Co-owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the monthly payment which is due not more than ten (10) days after such new annual or adjusted budget is adopted.

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

Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments.

If the Board of Directors at any time determines, in its sole discretion that the assessments levied are or may prove to be insufficient:

- (1) To pay the costs of operation, management, insurance, maintenance and repair of the Condominium;
- (2) To provide replacements of existing Common Elements;
- (3) To provide additions to the Common Elements not exceeding Five Thousand Dollars (\$5,000.00), in the aggregate, annually, or
- (4) In the event of emergencies, the Board of Directors shall have the authority to increase the General assessment or to levy such additional assessments without Co-owner approval, as it shall deem to be necessary.

The Board of Directors shall also have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 5 hereof. The discretionary authority of the Board of Directors to levy General and/or additional assessments pursuant to this subsection shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

**(b) Special Assessments.** Special assessments, other than additional assessments referenced in subsection (a) of this Section 2, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not Limited to:

- (1) assessments for additions to (and not repair or replacement of) the Common Elements of an aggregate cost exceeding Five Thousand Dollars (\$5,000.00);
- (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof;
- (3) assessments to purchase a Unit for use as a resident manager's Unit; or
- (4) assessments for any other appropriate purpose not elsewhere herein described.

Special assessments referred to in this subsection (but not including those assessments referred to in subsection 2(a) above which may be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty (60%) percent of all Co-owners. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof except in the event that the Association may voluntarily and conditionally assign the right to levy assessments to any lender in connection with any voluntary loan transaction entered into by the Association.

**Section 3. Apportionment of Assessments; Default in Payment.** Unless otherwise provided herein, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value assigned to each Unit in Article V of the Amended and Restated Master Deed, as amended, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit.

Annual assessments as determined in accordance with Article II, Section 2 (a) above (but not additional or special assessments which shall be payable as the Board of Directors elects) shall be payable by the Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a Deed to, or a land contract purchaser's interest in, a Unit, or with the acquisition of fee simple title to a Unit by any other means. Monthly installments of the annual assessment are due on the first day of each month. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. A late charge shall be assessed for any assessment in default paid more than fifteen (15) days after its due date. The late charge shall be in the amount of Twenty Dollars (\$20.00) or such other amount as may be determined by the Board of Directors from time to time. In the event the board establishes a new late charge amount, it shall give written notice to all members thirty (30) days before the new late charge rate shall become applicable. Such late charge shall not be deemed to be a penalty or interest upon the funds due to the Association but is intended to constitute a reasonable estimate of the administrative costs and other damages incurred by the Association in connection with the late payment of assessments. Assessments in default over thirty (30) days shall bear interest at the rate of seven (7%) percent per annum or such higher rate as may be allowed by law until paid in full. All payments shall be applied first against late charges, attorney fees, interest and costs and thereafter against assessments in order of oldest delinquency.

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

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

**Section 5. Enforcement.** The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that

secures payment of assessments, or both in accordance with the Act. Pursuant to Section 139 of the Act, no Co-owner may assert in an answer or set-off to a complaint brought by the Association for nonpayment of assessments the fact that the Association or its agents have not provided the services or management to the Co-owner. All Association remedies are cumulative and not alternative.

Each Co-owner, and every other person who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purpose of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions, except that the priority of the Association lien shall be determined by the Act. Further, each Co-owner and every other person who from time to time has any interest in the Condominium, shall be deemed to have authorized and empowered the Association to sell or to cause the Unit to be sold 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 Condominium acknowledges that at the time of acquiring title to such Unit, the Co-owner was notified of the provisions of this Section and that the Co-owner voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit. The Association, acting on behalf of all Co-owners, may bid in at the foreclosure sale, and acquire, hold, lease, mortgage or convey the Unit.

Notwithstanding the foregoing, a judicial foreclosure action shall not be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his/her or their last known address of a written notice that one or more installments of the annual assessment and/or a portion or all of an additional and/or a special assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by or in the form of a written Affidavit of an authorized representative of the Association that sets forth (1) the Affiant's capacity to make the Affidavit, (2) the statutory and other authority for the lien, (3) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (4) the legal description of the subject Unit(s), and (5) the name(s) of the Co-owner(s) of record. The Affidavit may contain other information that the Association of Co-owners considers appropriate as per the Act including but not limited to the amount of any unpaid interest, costs, attorney fees, future assessments, court costs and/or unpaid monetary fines. Such Affidavit shall be recorded in the office of the Register of Deeds in the County in which the Condominium is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing to the Co-owner. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the



Association shall so notify the Co-owner and shall inform the Co-owner that he/she may request a judicial hearing by bringing suit against the Association.

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

**Section 6. Liability of Mortgagee.** Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Condominium which acquires title to the Unit pursuant to the remedies provided in the mortgage and any purchaser at a foreclosure sale in regard to said first mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the acquisition of title by such holder, purchaser or assignee (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit). If title is acquired via deed in lieu of foreclosure, the grantee under such deed shall be fully liable to the Association for all amounts owed on the Unit.

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

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

**Section 9. Construction Lien.** A construction lien (mechanic's lien) otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to the limitations set forth in Section 132 of the Act, including the following:

(a) A mechanic's lien for work performed upon a Unit or upon a Limited Common Element may attach only to the Unit upon which the work was performed.

(b) A mechanic's lien for work authorized by the Association of Co-owners may Attach to each Unit only to the proportionate extent that the Co-owner of the Unit is required to contribute to the expenses of administration as provided by the Condominium Documents.

(c) A mechanic's lien may not arise or attach to a Unit for work performed on the Common Elements not contracted by the Association of Co-owners.

**Section 10. Statement as to Unpaid Assessments.** Pursuant to the provisions of the Act, the purchaser of any Unit may request a statement from the Association as to the outstanding amount of any unpaid Association assessments, interest, late charges, fines, costs and attorney fees thereon and related collection costs. Upon written request to the Association, accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire the Unit, the Association shall provide a written statement of such unpaid assessments and related collection costs as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments together with interest, costs, and attorneys' fees incurred in the collection thereof, and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except tax liens on the Unit in favor of any state or federal taxing authority and first mortgages of record. The Association may charge such reasonable amounts for preparation of such a statement as the Board of Directors may from time to time determine.

### **ARTICLE III**

#### **ARBITRATION**

**Section 1. Scope and Election.** Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners, or between a Co-owner or Co-owners and the Association shall, upon the election and written consent of both of the parties to any such disputes, claims or grievances, and written notice to the Association, if applicable, be submitted to arbitration and the parties thereto shall accept the arbitrators' decision as final and binding; provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration

Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration. Any agreement to arbitrate pursuant to the provisions of this Article III, Section 1 shall include an agreement between the parties that the judgment of any Circuit Court of the State of Michigan may be rendered upon any award rendered pursuant to such arbitration.

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

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

## **ARTICLE IV**

### **INSURANCE**

**Section 1. Basic Insurance Responsibility of the Association.** The Association shall carry property insurance, General liability insurance, officers and directors liability insurance, workers compensation insurance, and employers liability insurance, if applicable, and such other insurance as the Board may determine to be appropriate with respect to the ownership, use and maintenance of the General and Limited Common Elements of the Condominium and the administration of Condominium affairs. Such insurance shall be carried and administered in accordance with the following provisions:

Section2. **Insurance Responsibility of the Co-owners.** It shall be each Co-owner's responsibility to determine by personal investigation the nature and extent of insurance coverage needed to protect his/her Unit, his/her personal property located within his/her Unit or elsewhere in the Condominium and for his/her personal liability for occurrences within his/her Unit or upon the Limited Common Elements appurtenant to his/her Unit and also for additional living expenses. Each Co-owner may obtain insurance coverage at his/her own expense upon the building items within his/her Condominium Unit which were furnished with the Unit by the Developer however it will be considered to be excess insurance since the Association's property insurance will be primary coverage as described below. Each Co-owner shall be solely responsible to insure all alterations, upgrades, betterments, improvements, and additions to their Unit and its appurtenant Limited Common Elements whether made by the Developer or any owner of the Unit. Each Co-owner and the Association hereby waive their own and their insurers' rights of subrogation and recovery as to any claims against any Co-owner and the Association.

Section 3. **Specific Insurance Responsibilities of the Association.** The Association shall purchase insurance for the benefit of the Association, the Co-owners and their mortgages, as their interest may appear, and provision shall be made for the issuance of Certificates of Insurance with their mortgagee endorsements to the mortgagees of the Co-owners.

(a) **Property Coverage.** All Common Elements of the Condominium shall be insured under a Special Form property damage insurance policy or policies covering

(1) immediate and direct loss or damage to covered property unless the loss is excluded under the policy

(2) vandalism,

(3) malicious mischief

(4) and any other cause of loss deemed advisable by the Board of Directors of the Association, in an amount equal to the maximum insurable replacement value, including code reconstruction, if applicable, as determined annually by the board of Directors of the Association in consultation with the Association's insurance carrier and/or its representative in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall include interior walls within any Unit and the pipes, wires, conduits and ducts contained therein and shall further include all building items including fixtures, equipment and trim within a Unit which were furnished with the Unit by the Developer but not including any betterments thereto. The property insurance coverage shall be written on a Blanket Amount basis including an Agreed Value clause for the entire Condominium with appropriate provisions in order that no coinsurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total Project destruction and the insurance proceeds failed, for some reason, to be equal to the total cost of replacement). All information in the Association's records regarding insurance coverage shall be made available to all Co-owners upon request and reasonable notice during normal business hours so that the Co-owners shall be enabled to judge the adequacy of such coverage. Upon re-evaluation and effectuation of coverage, the Association shall notify all the Co-owners of the nature and extent of all changes in coverage.

(b) **General Liability Insurance.** General liability insurance shall be carried in such limits as the Board of Directors may from time to time determine to be appropriate. The General liability insurance shall cover: (1) the Association; (2) each Co-owner of the Condominium but only with respect to his/her liability arising out of the ownership, maintenance or repair of that portion of the premises which is their duty as such; and (3) any person or organization while acting as a managing agent for the association. The liability insurance carried by the Association shall, where

appropriate, contain cross-liability endorsements to cover liability of the Co-owners as a group to another Co-owner.

- (c) **Officers and Directors Liability Insurance.** Directors and Officers liability insurance shall be carried in such limits as the Board of Directors may from time to time determine to be appropriate. The liability insurance shall cover any persons who now are, or shall become duly elected or appointed directors or officers of the Association. The policy may also have to be endorsed to include "prior acts" coverage for persons who had been duly elected or appointed directors or officers of the Association if it is determined that previous expiring policies do not cover claims for wrongful acts reported after the expiration or termination date of those expiring policies.

**Section 4. Premium Expense.** All premiums upon insurance purchased by the Association pursuant to these Bylaws shall be expenses of the Association.

**Section 5. Proceeds of Insurance Policies.** Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account, and distributed to the Association, the Co-owners and their mortgagees as their interests may appear; provided, however, whenever Article V of these Bylaws requires the repair or reconstruction of the Condominium, any insurance proceeds received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such purpose. Property insurance proceeds shall never be used for any purpose other than for repair, replacement or reconstruction of the condominium Project unless all of the holders of mortgages on Units, and all Co-owners, in the Condominium have given their prior written approval.

**Section 6. Authority of Association to Settle Insurance Claims.** Each Co-owner, by ownership of a Unit in the Condominium, shall be deemed to appoint the Association as the true and lawful attorney-in-fact to act in connection with all matters concerning insurance pertinent to the Condominium, the Unit and the Common Elements appurtenant thereto. Without limitation on the Generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owners and the Condominium as shall be necessary or convenient to accomplish the foregoing.

## **ARTICLE V**

### **RECONSTRUCTION OR REPAIR**

**Section 1. Responsibility For Reconstruction Or Repair.** In the event any part of the Condominium property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) **One or More Units Tenantable.** If any part of the Condominium Premises is damaged or deteriorated, the damaged or deteriorated property shall be rebuilt or repaired unless not less than 67% of the eligible Co-owners and 51% of the holders of first mortgages determine that the Condominium shall be terminated.

(b) **No Unit Tenantable.** In the event the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless seventy-five (75%) percent or more of all the Co-owners in number and in value agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

**Section 2. Repair in Accordance with Master Deed, Etc.** Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the Condominium to a condition as comparable as possible to the condition existing prior to damage unless holders of at least 51% of the votes of Units subject to mortgages held by such eligible holders are allocated is obtained plus 67% percent of the eligible Co-owners in number and in value shall consent to do otherwise.

**Section 3. Co-owner and Association Responsibilities.** In the event the damage is only to a part of a Unit, which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association subject to the terms and conditions of the Master Deed.

**Section 4. Co-owner Responsibility for Repair.** Each Co-owner shall be responsible for the reconstruction, repair, maintenance, replacement and decoration of the interior of the Co-owner's Unit, including all finished flooring and floor coverings, all interior walls, wall coverings, interior trim and, including, without limitation the following items:

(a) All appliances within the Unit and supporting hardware, including, but not Limited to, humidifier, air cleaner, garbage disposal, dishwasher, range, oven, range hood and vent fan, vent covers, filter, water softeners, water filters and water heaters, if any.

(b) Interior of entry door and its deadbolts, locking mechanism, handles and knobs on both sides of door, all interior doors and related hardware within the individual Unit.

(c) All electrical fixtures, and appliances within the individual Unit, including, but not Limited to, doorbell and alarms systems (all components inside and out of Unit), wiring, lighting fixtures, switches, outlets, antenna outlets and circuit breakers or fuses.

(d) All plumbing fixtures including commodes, tubs, shower pans, shower stalls, shower enclosures, tub and shower caulking, faucets, rings, seals, washers and water supply lines from the point of connection to the shut-off valve. In the event there is no shut-off valve, from the point of entry into the Unit.

(e) All cabinets, counters, sinks, either floor or wall mounted, and related hardware.

(f) All improvements and decorations including, but not Limited to, paint, wallpaper, paneling, carpeting, linoleum and trim.

(g) Individual Unit drain lines located within the Unit up to the point where the drain line exits the Unit at the wall or floor.

(h) All other items not specifically enumerated above which may be located within the individual Unit's perimeter walls except as otherwise specifically provided in the Amended and Restated Master Deed.

In the event that damage to interior walls within a Co-owner's Unit, or to pipes, wire, conduits, ducts or other Common Elements therein, or to any fixtures, equipment and any improvements within a Unit is caused by a Common Element failure or other event not the responsibility of the Co-owner, the Association shall be responsible for the reconstruction or repair in accordance with the provisions of these Restated and Amended Condominium By-laws; provided, that portion of the expense incurred but not recovered by virtue of any insurance deductible shall be the Co-owners obligation. Insurance deductible expenses shall be pro-rated between the common element and non-common element portions of the loss in such events. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto and if there is a mortgage endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event damage to a Co-owner's Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall begin reconstruction or repair of the damage upon receipt of the insurance proceeds from the Association. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

**Section 5. Association Responsibility for Repair.** The Association shall be responsible for reconstruction, repair and maintenance of the Common Elements as provided in the Master Deed. This Section shall not be construed to require replacement of mature trees or vegetation with equivalent trees or vegetation.

Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair or reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the Co-owners who are responsible for the costs of reconstruction or repair of the damaged property (as provided in the Master Deed) in sufficient amounts to provide funds to pay the estimated or actual costs of repair.

**Section 6. Timely Reconstruction and Repair.** The Association or Co-owner responsible for the reconstruction, repair and/or maintenance shall proceed with and complete reconstruction, repair, maintenance or replacement of the damaged property as soon as reasonable.

**Section 7. Eminent Domain.** Section 133 of the Act and the following provisions shall control upon any taking by eminent domain.

**(a) Taking of Entire Unit.** In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the Co-owner and his/her mortgagee, they shall be divested of all interest in the Condominium. In the event that any condemnation award shall become payable to any Co-owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Co-owner and his/her mortgagee, as their interests may appear.

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

**(c) Continuation of Condominium after Taking.** In the event the Condominium continues after taking by eminent domain, then the remaining portion of the Condominium shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of one hundred (100%) percent. A Condominium Unit partially taken shall receive a reallocated percentage of value based pro rata on the percentage taken. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner, but only with the prior approval of 51% of the votes of eligible holders of first mortgage liens on individual Units in the Condominium.

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

**Section 8. Mortgages Held by FHLMC; Other Institutional Holders.** 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 it 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 \$10,000.00 in amount or if



damage to a Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00. The Association shall provide such other reasonable notice as may be required, from time to time, by other institutional holders of mortgages upon Units.

**Section 9. 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 in the case of a distribution to Unit owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

## **ARTICLE VI**

### **RESTRICTIONS**

**Section 1. Residential Use.** No Unit shall be used for any commercial, manufacturing, industrial or business purposes that create any nuisances or liability exposures, such as, but not limited to, customer/client/patient visits, noise, traffic or parking congestion, odors, vibrations or anything else that might detract from the peaceful and residential character of Piety Hill Place. Subject to the foregoing and all other applicable restrictions, home offices are not necessarily forbidden.

#### **Section 2. Leasing and Rental.**

(a) A Co-owner may lease his Unit for the same purposes set forth in Section 1 of this Article VI. With the exception of a lender in possession of a Unit following a default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium and no tenant shall be permitted to occupy except under a written lease the initial term of which is at least one (1) year 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 and shall clearly state that a lessee is responsible for complying with and abiding by all provisions of the Documents and Rules of the Association.

(b) **Violation of Condominium Documents by Tenants or Non-Co-owner Occupants.** If the Association determines that the tenant or non-Co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

- (1) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant or non-Co-owner occupant.
- (2) The Co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or

non-Co-owner occupant or advise the Association that a violation has not occurred.

- (3) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its own behalf an action for eviction against the tenant or non-Co-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-Co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this subsection may be by summary proceedings. The Association may hold both the tenant or non-Co-owner occupant and the Co-owner liable for any damages caused by the Co-owner or tenant or non-Co-owner occupant in connection with the Unit or the Condominium and for actual legal fees incurred by the Association in connection with legal proceedings hereunder.

(c) **Arrearage in Condominium Assessments.** When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the tenant. The form of lease used by any Co-owner shall explicitly contain the foregoing provisions. Pursuant to the Act, if the tenant, after being notified, fails or refuses to remit rent otherwise due the Co-owner to the Association of Co-owners, then the Association of Co-owners may do the following:

- (1) Issue a statutory notice to quit for nonpayment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.
- (2) Initiate proceedings pursuant to MCL 559.212(4)(b).

In the event the Association is required to take any action pursuant to this section, both the Co-owner and the tenant shall be jointly responsible for all costs and attorney fees incurred by the Association.

**Section 3. Alterations and Modifications of Units and Common Elements.** No Co-owner shall make alterations in exterior appearance or make structural modifications to the Co-owner's Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, Limited or General, without the advance express written approval of the Board of Directors (which approval shall be in recordable form), including, but not by way of limitation, exterior painting or the erection of antennas, lights, aerials, satellite dishes in excess of one meter, awnings, doors, shutters, newspaper holders or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to walls and/or floors between Units which in any way impairs sound conditioning. Satellite dishes of one meter or less will only be permitted as expressly permitted by rule of the Federal Communications Commission. No attachment,

appliance or other item may be installed which is designed to kill or repel insects or other animals by light or humanly audible sound. All window treatments shall be in neutral tones. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium.

The foregoing is subject to the applicable provisions of the Act governing improvements or modifications if the purpose of the improvement or modification is to facilitate access to or movement within the Unit for persons with disabilities under the circumstances provided for in the Act at MCL 559.147a, as amended from time to time.

**Section 4. Activities.** No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, Limited or General, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity be carried on in any Unit or on the Common Elements. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

**Section 5. Pets.** No animal of any kind, other than a fish and/or a caged bird, shall be kept or brought onto the Condominium Project.

**Section 6. Aesthetics.** The Common Elements, Limited or General, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted Rules and Regulations of the Association. Trash and recycling receptacles shall be maintained in areas designated therefore at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The Common Elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. Automobiles shall not be washed or repaired (except for emergency repairs) on the Common Elements. Speakers, wind chimes and other sound emitting devices are not permitted on balconies. In General, no activity shall be carried on nor condition maintained by a Co-owner either in his Unit, or upon the Common Elements, which spoils the appearance and tranquility of the Condominium.

**Section 7. Utilization of Common Elements.** Sidewalks, yards, landscaped areas, driveways, roads, parking areas, basement area, lobbies, elevators, stairs, utility storage room, exercise room, laundry room, community room, vestibules, corridors and entrances shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No floor mats shall be placed on any corridor floor by a Co-owner. No bicycles, vehicles, carts, chairs or benches may be left unattended on or about the Common Elements except in designated areas. Use of any recreational or exercise facilities in the Condominium by minors must be under direct adult supervision. Use of laundry facility must comply with City of Birmingham fire safety Regulations.

**Section 8. Vehicles.** No house trailers, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers or vehicles other than automobiles or motorcycles may be parked or stored upon the premises of the Condominium. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. For purposes of this section, commercial vehicles and trucks shall be deemed those considered as commercial vehicles under Michigan law, as well as such vehicles as contain or exhibit signage, tools or other equipment typically used in a business. The Association may assign General Common Element parking spaces for the use of the Co-owners of a particular Unit or Units in an equitable manner in the event that there arises a shortage of parking spaces in the Condominium Project. If the Association deems it necessary to alleviate any parking shortage arising from maintenance of more than two (2) cars by a number of Co-owners, the Association may temporarily or permanently prohibit the maintenance of more than two (2) cars by a Co-owner or may construct additional parking facilities and assess those Co-owners maintaining more than two (2) cars for the expense of such construction and use. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the Condominium Premises.

**Section 9. Prohibited Activities.** No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family, any firearms, air rifles, pellet guns, B-B guns, bows and arrows or other similar dangerous weapons, Projectiles or devices anywhere on or about the Condominium Premises.

**Section 10. Signs, Advertising.** No signs shall be displayed which are visible from the exterior of a Unit or on the Common Elements at any time for any reason without the advance written permission of the Association. This prohibition includes, but is not Limited to, "For Sale" signs, "Open" signs, "Garage Sale" signs and political signs. No advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements at any time without the advance written permission of the Association.

**Section 11. Rules and Regulations.** Reasonable Regulations consistent with the Act, the Amended and Restated Master Deed and these Bylaws, concerning the use of the condominium premises may be made and amended from time to time by any Board of Directors of the Association. All copies of such Regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Co-owners in number and in value.

**Section 12. Right of Access of Association.** The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-owner to provide the Association means of access to his Unit and any

Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his Unit and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

**Section 13. Landscaping.** No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Association in writing.

**Section 14. Unightly Conditions.** No unsightly condition shall be maintained upon any balcony and only furniture and equipment consistent with ordinary balcony use shall be permitted. No item shall at any time be placed on any balcony or balcony rail, which would create an unsafe condition for the areas below such balcony. No barbecue grills or similar items shall be used or stored on any balcony at any time.

**Section 15. Co-owner Maintenance.** Each Co-owner shall maintain his/her Unit and any Limited Common Elements appurtenant thereto for which he/she has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall have the following duties and shall be fully liable for any and all expenses or damages, which may result from any failure to perform any of these duties:

(a) maintain his/her Unit and any Limited Common Elements appurtenant thereto (including balconies) for which he/she has maintenance responsibility in a safe, clean and sanitary condition, including but not Limited to replacing air handler filters when needed, caulking tubs and shower enclosures, grouting all tile work, replacing any leaking fixture and appliance.

(b) use due care to avoid damaging any of the Common Elements, other Units or their appurtenances, contents and improvements including, but not Limited to, the telephone, water, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit.

(c) maintain heat inside his/her Unit at a minimum of fifty degrees Fahrenheit during all periods of potentially freezing temperatures so as to prevent pipes from freezing.

(d) winterize (close water valves, shut off icemakers, drain and shut off humidifiers), in his/her Unit during all periods of absence when freezing temperatures may reasonably be anticipated.

(e) cause his/her Unit to be timely monitored during all periods of absence to assure that all windows and doors are securely closed and locked, no

water is escaping from any pipe or fixture or appliance and to assure that adequate heat is being maintained.

(f) promptly report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement and any other circumstances which if not promptly reported and attended to, could result in loss or damage to any Common Element or any Unit.

(g) adequately insure his/her Unit in accordance with Article IV.

Each Co-owner shall be responsible for damages or costs to the Association, or to other Co-owners, as the case may be, resulting from negligent damage to or misuse of any of the Common Elements by the Co-owner, or his/her family, guests, tenants, land contract purchasers, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless full reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Water shall not be wasted by any person and in the event of waste the Board of Directors shall have the authority to assess the excess consumption cost to the Co-owner of the Unit where the waste occurred. "Waste" shall mean and include water consumption arising from the failure (whether intentional or by virtue of negligence) to maintain appliances and/or failure to secure doors and/or windows, as determined by the Board of Directors in its reasonable discretion. Any costs or damages to the Association or to other Co-owners, as the case may be, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. The Co-owners shall have the responsibility to report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement and any other circumstances which if not promptly reported and attended to, could result in loss or damage to any Common Element. All damages resulting from the failure of the Co-owner to report any of the foregoing items may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. Each Co-owner shall have these responsibilities and liabilities regardless of whether they occupy the Unit or the Unit is occupied by their tenant, guest, etc.

**Section 16. Assessment of Costs of Enforcement.** Any and all costs, damages, expenses and/or attorney fees incurred by the Association in enforcing any of the restrictions set forth in this Article VI and/or Rules and Regulations made by the Board of Directors of the Association under Article VI, Section 11 of these Bylaws, and any expenses incurred as a result of the conduct of less those entitled to occupy the Condominium Project, or by their licensees or invitees, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

**Section 17. Secured Entrances.** No secured entrance, one requiring a key for entry, may be left open and unattended at any time. Enforcement provisions, including reasonable fees, shall be set out in the duly adopted Rules and Regulations of the Association.

**Section 18. Association Exempt.** The association shall be exempt from the duty to comply with any restriction in Article VI when acting in furtherance of its powers, purposes and duties.

## **ARTICLE VII**

### **MORTGAGES**

**Section 1. Co-owner Duty to Give Notice.** Any Co-owner who mortgages his/her Unit shall notify the Association of the name and address of the mortgagee and the Association shall maintain such information in a book entitled "Mortgages of Units".

**Section 2. Association Duties to Give Notices.** The Association, upon receiving written notice, shall promptly issue notice to each holder, insurer or guarantor of a first mortgage happening of any of the following:

- (a) Any proposed amendment of the condominium documents effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto and/or (ii) interests in the General or Limited Common Elements appertaining to any Unit or the liability for common expenses appertaining thereto and/or the number of votes in the Association appertaining to any Unit;
- (b) The purposes to which any Unit or the Common Elements are restricted;
- (c) Any proposed termination of the condominium Project;
- (d) Any condemnation loss or any casualty loss which affects a material portion of the condominium or which affects any Unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;
- (e) Any delinquency in the payment of assessments or charges owed by an owner of a Unit subject to the mortgagee of such eligible holder, insurer or guarantor, where such delinquency has continued for sixty (60) days;
- (f) Any lapse, cancellation or material modification of any insurance policy maintained by the Association pursuant to paragraph 14 (a) (i) of HUD Manual 4265.1 Appendix 24.
- (g) The issuance of notice of an official meeting of the membership in which case each holder, insurer or guarantor of a first mortgage shall be allowed to designate a representative to attend such meeting.

## ARTICLE VIII

### VOTING

**Section 1. Vote.** Except as Limited in these Bylaws, each Co-owner shall be entitled to one (1) vote for each Unit owned when voting by number and one (1) vote, the value of which shall be equal to the total of the percentages of value assigned to the Unit(s) owned by each Co-owner as set forth in Article V of the Master Deed as amended, when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in number and in value.

**Section 2. Eligibility to Vote.** No Co-owner shall be entitled nor qualified to vote at any meeting of the Association until he/she has presented a deed or other evidence of ownership of a Unit in the Condominium to the Association. Land contract vendees shall be recognized as owners unless the vendor provides the Association with a copy of the land contract expressly reserving voting privileges to the vendor. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative. No Co-owner who is in default of a duty to pay any sum to the Association shall be entitled nor qualified to vote until such default is cured.

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

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

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



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

## **ARTICLE IX**

### **MEETINGS**

**Section 1. Location and Procedure.** Meetings of the Association Membership shall be held at such suitable place convenient to the Co-owners as may be designated by the Board of Directors. Voting shall be as provided in the Condominium Bylaws. Meetings of the Association shall be conducted in General accordance with Roberts Rules of Order, when not otherwise in conflict with the Articles of Incorporation, these Bylaws, the Amended and Restated Master Deed or the laws of the State of Michigan.

**Section 2. Annual Meeting; Agenda.** Annual Meetings of members of the Association shall be held during the month of November at such date, time and place as the Board of Directors shall direct. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article X of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Corporation as may properly come before them. At the Annual Meeting of members, the order of business shall be as follows unless otherwise determined by the Board:

- (a) Calling the meeting to order
- (b) Proof of notice of the meeting
- (c) Determination of quorum
- (d) Approval of minutes of the last Annual Meeting
- (e) Reports from officers and committees
- (f) Election of directors
- (g) Unfinished business
- (h) New business
- (i) Miscellaneous business and discussion
- (j) Adjournment

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

**Section 4. Membership Meeting Notices.** It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least ten (10) calendar days but not more than sixty (60) calendar days prior to such meeting. The mailing, postage prepaid, or electronic transmission of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these Bylaws shall be deemed notice served. Notice shall also be posted in the building and website, if applicable. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association shall be deemed due notice.

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

## **ARTICLE X**

### **BOARD OF DIRECTORS**

**Section 1. Eligibility, Compensation.** The affairs of the Association shall be governed by a Board of Directors all of whom must be members of the Association except that (1) a person residing full time with a member and (2) officers, partners, trustees, employees or agents of members that are legal entities and not individual persons may be designated by such entities to serve as directors, if elected, of the Association. Directors shall serve without compensation. No candidate for election or appointment to the Board of Directors shall be eligible if the Unit he/she is associated with is delinquent in the payment of any sum of money owed to the association. Only one person per Unit shall be eligible as a candidate notwithstanding the fact that the Unit is jointly owned by two or more persons and/or entities. If a member is a partnership then only a partner thereof shall be qualified and eligible to serve as a director. If a member is a trust, then only a trustee thereof shall be qualified and eligible to serve as a director. If a member is a corporation then only a shareholder or a director shall be qualified and eligible to serve as a director. Any Co-owner landlord who is neither a partnership nor a trust nor a corporation shall be qualified and eligible to serve as a director only in his or her individual capacity and the tenant or agent of such landlord shall not be qualified or eligible to serve as a director.

**Section 2. Size and Terms of Office.** The Board of Directors shall be composed of five (5) persons who shall manage the affairs of the Association. Directors shall

serve without compensation. Directors shall serve until their successors are elected by a majority of the Co-owners eligible and present to vote and hold their first meeting. At the first election of directors, which takes place after the adoption of these Bylaws, the two (2) candidates receiving the highest vote totals shall be elected to two (2) year terms of office. The three (3) candidates receiving the lowest vote totals shall be elected to one (1) year terms of office. At each annual meeting thereafter, either two (2) or three (3) directors shall be elected depending upon the number of directors whose terms expire, such that in odd-numbered years, three (3) seats will be open for election and in even-number years, two (2) seats will be open for election. The term of office for each Director shall be two (2) years.

**Section 3. Powers, Duties.** The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners. In addition to the foregoing General duties imposed by these Bylaws, or any further duties which may be imposed by resolution of the members of the Association the Board of Directors shall be responsible specifically for the following:

- (a) Management and administration of the affairs of and maintenance of the Condominium Project and the Common Elements thereof.
- (b) To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (c) To carry insurance and collect and allocate the proceeds thereof.
- (d) To rebuild improvements after casualty.
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.
- (f) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any 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 and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association; provided,

however, that any such action shall also be approved by affirmative vote of more than sixty percent (60%) in number and in value of all of the members of the Association except that the Board shall have the authority to obtain letters of credit and/or appeal bonds for litigation.

- (h) To make Rules and Regulations in accordance with Article VI, Section 11 of the Bylaws. These Rules and Regulations may contain assessments of fees for specific events such as but not Limited to moving in or out and clean up of common areas after Co-owner use
- (i) To establish such committees, as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the condominium and to delegate to such committees any functions or responsibilities that are not by law or the Condominium Documents required to be performed by the Board.
- (j) To enforce the provisions of the Condominium Documents.
- (k) The Board of Directors may employ for the Association a professional management agent at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not Limited to, the duties listed above, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association.

**Section 4. Vacancies.** Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected at the next Annual Meeting of the Association to fill the unexpired term.

**Section 5. Recall.** At any regular or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by affirmative vote of at least fifty-one (51%) percent of the entire membership and a successor may then and there be elected to fill any vacancy thus created under the voting Rules of Article VIII of the Condominium Bylaws. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

**Section 6. First Meetings of Boards.** The first meeting of a newly elected Board of Directors shall be held within thirty (30) calendar days of election at such place and time as shall be fixed by the Directors at the meeting at which such Directors were elected, and no other notice shall be necessary to the newly elected Directors to constitute a duly called meeting.

**Section 7. Regular Board 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 four such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, fax, telephone, email, or other electronic means at least ten (10) days prior to the date named for such meeting.

**Section 8. Special Board Meetings.** Special meetings of the Board of Directors may be called by the President on five (5) calendar days' notice to each Director, given personally, by mail, fax, telephone or email, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of one Director.

**Section 9. Waiver of Notice.** Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**Section 10. Quorum.** At all meetings of the Board of Directors, the presence in person or by electronic means of a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice provided a quorum is present. A Director may join in the action of a meeting by signing and concurring in the minutes thereof, which shall constitute the presence of such Director for purposes of determining a quorum.

**Section 11. Fidelity Bonds/Employee Dishonesty Insurance.** The Board of Directors shall require that all directors, officers, agents and employees of the Association handling or responsible for Association funds and/or property shall be covered by adequate fidelity bonds and/or employees dishonesty insurance purchased by the Association. The premiums on such bonds and/or insurance shall be expenses of administration. Such bonds and/or insurance shall not be less than the estimated maximum of funds held by the Association at any time, including maximum expected reserve funds and in no event less than a sum equal to three month's aggregate assessments on all Units plus reserve funds.

**Section 12. Executive Sessions.** All meetings of the Board of Directors shall be open to the membership. The Board of Directors, in its discretion and after providing its rationale, may close a portion or all of any meeting of the Board of Directors to the members of the Association for the purpose of discussing privileged and personal matters. Any member of the Association shall have the right to inspect, and make copies of, the minutes of any meetings of the Board of Directors; provided, however, that no member of the Association shall be entitled to review or copy any minutes which reference privileged communications between the Board of Directors and counsel for the Association, minutes or other information regarding a closed or executive session of the Board of Directors or any other matter to which a privilege against disclosure pertains under Michigan Statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules.

**Section 13. Conflicts of Interest.** In the event any director shall have any relationship with, or interest in, any person or entity with whom or which the Association may have any contractual dealings, such director shall have an affirmative duty to disclose such relationship or interest, in writing, to the Board of Directors at a Board meeting as soon as such contractual dealings are contemplated or initiated.

## **ARTICLE XI**

### **OFFICERS**

**Section 1. Officers, Compensation.** The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be members of the Association and members of the Board of Directors. The Directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices except that of President and Vice President may be held by one person. Officers may be compensated but only upon affirmative vote of at least sixty percent (60%) of the Co-owners.

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

**Section 3. Removal.** Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

**Section 4. President.** The President shall be the chief executive officer of the Association. He/She shall preside at all meetings of the Association and of the Board of Directors. He/She shall have all of the General powers and duties which are usually vested in the office of the President of an association, including, but not Limited to the power to appoint committees from among the members of the Association from time to time as he/she may in his/her discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

**Section 6. Secretary.** The Secretary shall maintain all official files, books, records and papers other than financial and shall:

- (a) Shall have charge of the corporate seal.
- (b) Keep or cause to be kept the minutes of all meetings of the Board of Directors and of the membership of the Association.
- (c) Record, or cause to be recorded, the assessments collected and oversee the maintenance of the member roster.
- (d) In General, perform all duties incident to the office of the Secretary including signing of documents and correspondence as appropriate.

**Section 7. Treasurer.** The Treasurer shall have responsibility for the Association funds and securities and shall:

- (a) Keep or cause to be kept full and accurate accounts of all receipts and disbursements in books belonging to the Association.
- (b) Deposit or cause to be deposited, of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors.
- (c) Report the financial condition of the Association at all meetings of the Board of Directors and of the membership of the Association.
- (d) Be responsible for the preparation and filing of all tax returns and year-end audited or reviewed financial statements.

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

## ARTICLE XII

### FINANCE

**Section 1. Records.** The Association shall keep detailed books of account showing all expenditures and receipts of administration, and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other non-privileged Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Board of Directors shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Board of Directors. The Board of Directors shall annually engage a qualified, independent accountant to perform a review or audit of the books of account. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefore. The cost of any such compilation, review or audit and any other accounting expenses shall be expenses of administration.

**Section 2. Fiscal Year.** The fiscal year of the Association shall be an annual period as may be determined by the Board of Directors and shall be subject to change by the Directors for accounting reasons or other good cause. Absent such determination by the Board of Directors, the fiscal year of the Association shall be June 1 to May 31.

**Section 3. Depositories.** The funds of the Association shall be initially deposited in such credit unions, banks or with insured securities brokers or invested in federally insured securities as may be designated by the directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such banks or credit unions as are insured by an agency of the federal government and may also be invested in interest-bearing obligations of the United States Government or in such other depositories as may be adequately insured in the discretion of the Board of Directors.

## ARTICLE XIII

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

**Section 1. Indemnification of Directors and Officers.** Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and amounts paid in settlement incurred by or imposed upon the director or officer in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, to which the director or officer may be a party or in which he/she may become involved by reason of his/her being or having been a director or officer of the Association, whether or not he/she is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton



misconduct or gross negligence in the performance of the director's or officer's duties, and except as otherwise prohibited by law; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof.

**Section 2. Directors' and Officers' Insurance.** The Association shall provide liability insurance for every director and every officer of the Association for the same purposes provided above in Section 1 and in such amounts as may reasonably insure against potential liability arising out of the performance of their respective duties. With prior written consent of the Association, a director or an officer of the Association may waive any liability insurance for such director's or officers personal benefit. No director or officer shall collect for the same expense or liability under Section 1 above and under this Section 2; however, to the extent that the liability insurance provided herein to a director or officer was not waived by such director or officer and is inadequate to pay any expenses or liabilities otherwise properly indemnifiable under the terms hereof, a director or officer shall be reimbursed or indemnified only for such excess amounts under Section 1 hereof.

## **ARTICLE XIV**

### **AMENDMENTS**

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

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

**Section 3. Voting.** These Bylaws may be amended in accordance with the provisions of the Act, as amended.

**Section 4. When Effective.** Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Register of Deeds.

**Section 5. Binding.** A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Condominium irrespective of whether such persons actually receive a copy of the amendment.

## ARTICLE XV

### COMPLIANCE

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

## ARTICLE XVI

### DEFINITIONS

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

## ARTICLE XVII

### REMEDIES FOR DEFAULT

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

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

(b) **Recovery of Costs.** In the event of a default of the Condominium Documents by a Co-owner and/or non-Co-owner resident or guest, the Association shall be entitled to recover from the Co-owner and/or non-Co-owner resident or guest, the pre-litigation costs and attorney fees incurred in obtaining their compliance with the Condominium Documents. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney fees, (not Limited to statutory fees) as may be determined by the Court, but in no event shall any Co-owner be entitled to recover such attorney fees. The Association, if

successful, shall also be entitled to recoup the costs and attorney's fees incurred in defending any claim, counterclaim or other matter from the Co-owner asserting the claim, counterclaim or other matter.

(c) **Removal and Abatement.** The violation of any of the provisions of the Condominium Documents, including the Rules and Regulations promulgated by the Board of Directors of the Association hereunder, shall also give the Association, or its duly authorized agents, the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents; provided, however, that judicial proceedings shall be instituted before items of construction are altered or demolished pursuant to this subsection. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

(d) **Assessment of Fines.** The violation of any of the provisions of the Condominium Documents, including any of the Rules and Regulations promulgated by the Board of Directors of the Association hereunder, by any Co-owner, in addition to the rights set forth above, shall be grounds for assessment by the Association of a monetary fine for such violation. No fine may be assessed unless the Rules and Regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Article VI, Section 11 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 more than fifteen (15) days from the date of the notice and offer evidence in defense of the alleged violation. Upon finding a violation has occurred after an opportunity for hearing has been provided, the Board of Directors may levy a fine in such amount as it, in its discretion, deems appropriate, and as is set forth in the Rules and Regulations establishing the fine procedure.

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

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

**ARTICLE XVIII**

**SEVERABILITY**

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