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EXHIBIT A  
BYLAWS OF PINE ARBOR CONDOMINIUM

ARTICLE I  
THE CONDOMINIUM PROJECT

1. Pine Arbor Condominium, a residential condominium project located in the City of Woodhaven, Wayne County Michigan, is being constructed to comprise a total of 163 living Units. Once the master deed is recorded, the management, maintenance, operation, and administration of the project shall be vested in an association of co-owners organized as a nonprofit corporation under Michigan law.
2. Compliance. All present and future co-owners, mortgagees, lessees or other persons who may use the facilities of the condominium in any manner shall be subject to and comply with the Michigan Condominium Act, MCLA 559.101 et seq., MSA 26.50(101) et seq., as amended, the master deed and its amendments, the articles of incorporation, the association bvlaws and other condominium documents that pertain to the use and operation of the condominium property. The association shall keep current copies of these documents and make them available for inspection at reasonable hours to co-owners, prospective purchasers, and prospective mortgagees of units in the project. If the Michigan Condominium Act conflicts with any condominium documents referred to in these bylaws, the act shall govern. A party's acceptance of a deed of conveyance or of a lease or occupancy of a condominium Unit in the project shall constitute an acceptance of the provisions of these documents and an agreement to comply with them.

ARTICLE II  
MEMBERSHIP AND VOTING

1. Membership. Each present and future co-owner of a Unit in the project shall be a member of the association, and no other person or entity shall be entitled to membership. The share of a member in the funds and assets of the association may be assigned, pledged, or transferred only as an appurtenance to the condominium Unit.
2. Voting rights. Except as limited in the master deed and in these bylaws, each co-owner shall be entitled to one vote for each Unit owned when voting by number and one vote, the value of which shall equal the total, of the percentages assigned to the Units owned by the co-owner as stated in the master deed, when voting by value. Voting shall be by number, except when voting is specifically required to be both by value and by number. and no accumulation of votes shall be permitted.
3. Members entitled to vote. No co-owner, other than the developer, may vote at a meeting of the association until the co-owner presents written evidence of the ownership of a

condominium Unit in the project, nor may a co-owner vote before the initial meeting of members (except for elections held pursuant to Article III, provision 4). The developer may vote only for those Units to which it still holds title.

The person entitled to cast the vote for the Unit and to receive all notices and other communications from the association may be designated by a certificate signed by all the record owners of the Unit and filed with the secretary of the association. Such a certificate shall state the name and address of the designated individual, the number of Units owned, and the name and address of the party who is the legal co-owner. All certificates shall be valid until revoked, until superseded by a subsequent certificate, or until the ownership of the Unit concerned changes.

4. Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and for any adjournment of that meeting and must be filed with the association before the appointed time of the meeting.
5. Majority. At any meeting of members at which a quorum is present, Fifty One (51 %) percent of the co-owners entitled to vote and present in person or by proxy, in accordance with the percentages allocated to each condominium Unit in the master deed for the project, shall constitute a majority for the approval of the matters presented to the meeting, except as otherwise required in these bylaws, in the master deed, or by law.

### ARTICLE III MEETINGS AND QUORUM

1. Initial Meeting of Advisory Committee (members). An advisory committee of nondeveloper co-owners shall be established not later than either One Hundred Twenty (120) Days after conveyance of legal or equitable title to nondeveloper co-owners of One Third (33-1/3%) percent of the Units that may be created or within one year (1) year after the initial conveyance of legal or equitable title to a nondeveloper co-owner of a Unit in the project, whichever occurs first. If the co-owners do not establish the advisory committee, acting based on the bylaws and the rights conferred hereunder, then the developer shall select three nondeveloper co-owners to serve as an advisory committee to the board of directors. A purpose of the advisory committee shall be to facilitate communication between the board of directors and the nondeveloper co-owners and to aid in the ultimate transfer of control to the association. The members of the advisory committee shall serve for one year or until their successors are selected and the advisory committee shall automatically cease to exist on the transitional control date. The board of directors and the advisory committee shall meet with each other when the advisory committee requests. However, there shall not be more than two such meetings each year unless both parties agree. The developer may call meetings of members of the association for informational or other appropriate purposes before the initial meeting, but no such

- informational meeting shall be construed as the initial meeting of members.
2. Not later than One Hundred Twenty (120) Days after conveyance of legal or equitable title to nondeveloper co-owners of Twenty Five (25%) percent of the Units that may be created, at least one (1) director and not less than Twenty Five (25%) percent of the board of directors of the association of co-owners shall be elected by nondeveloper co-owners. Not later than One Hundred Twenty (120) Days after conveyance of legal or equitable title to nondeveloper co-owners of Fifty (50%) percent of the units that may be created, not less than One Third (33-1/3%) percent of the board of directors shall be elected by nondeveloper co-owners. Not later than One Hundred Twenty (120) Days after conveyance of legal or equitable title to nondeveloper co-owners of Seventy Five (75%) percent of the Units that may be created, and before conveyance of Ninety (90%) percent of such Units, the nondeveloper co-owners shall elect all directors on the board, except that the developer shall have the right to designate at least one (1) director as long as the developer owns and offers for sale at least Ten (10%) percent of the Units in the project or as long as Ten (10%) percent of the Units remain that may be created.
  3. Notwithstanding the formula provided in subsection (2), Fifty Four (54) months after the first conveyance of legal or equitable title to a nondeveloper co-owner of a Unit in the project, if title to not less than Seventy Five (75%) percent of the Units that may be created has not been conveyed, the nondeveloper co-owners have the right to elect, as provided in the condominium documents, a number of members of the board of directors of the association of co-owners equal to the percentage of Units they hold and the developer has the right to elect, as provided in the condominium documents, a number of members of the board equal to the percentage of Units which are owned by the developer and for which all assessments are payable by the developer. This election may increase, but does not reduce, the minimum election and designation rights otherwise established in subsection (2). Application of this subsection does not require a change in the size of the board as determined in the condominium documents.
  4. If the calculation of the percentage of members of the board that the nondeveloper co-owners have the right to elect under subsection (2), or if the product of the number of members of the board multiplied by the percentage of Units held by the nondeveloper co-owners under subsection (3) results in a right of nondeveloper co-owners to elect a fractional number of members of the board, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the board that the nondeveloper co-owners have the right to elect. After application of the formula contained in this subsection, the developer has the right to elect the remaining members of the board. Application of this subsection does not eliminate the right of the developer to designate one (1) member as provided in subsection (2).
  5. For purposes of calculating the timing of events described in this section, conveyance by a developer to a residential builder, even though not an affiliate of the developer, is not

- considered a sale to a nondeveloper co-owner until such time as the residential builder conveys that Unit with a completed residence on it or until it contains a completed residence which is occupied.
6. Annual meeting of members. After the initial meeting, an annual meeting of the members shall be held in each year at the time and place specified in the association bylaws. At least ten (10) days before an annual meeting, written notice of the time, place, and purpose of the meeting shall be mailed to each member entitled to vote at the meeting. At least twenty (20) days written notice shall be provided to each member of any proposed amendment to these bylaws or to other condominium documents.
  7. Quorum of members. The presence in person or by proxy of thirty (30%) percent of the co-owners entitled to vote shall constitute a quorum of members. The written vote of any person furnished at or before any meeting at which the 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 on which the vote is cast.

#### ARTICLE IV ADMINISTRATION

1. Board of directors. The business, property, and affairs of the association shall be managed and administered by a board of directors to be elected in the manner stated in the association bylaws. The directors designated in the articles of incorporation shall serve until their successors have been elected and qualified as provided herein. All actions of the first board of directors of the association named in its articles of incorporation or any successors elected by the developer before the election of co-owners of the board of directors shall be binding on the association as though the actions had been authorized by a board of directors elected by the members of the association. The board of directors may void any service contract or management contract between the association and the developer or affiliates of the developer on the transitional control date, within ninety (90) days after the transitional control date, or on thirty (30) days notice at any time after that for cause.
2. Powers and duties. The board shall have all powers and duties necessary to administer the affairs of the association. The powers and duties to be exercised by the board shall include the following:
  - a. maintaining the common elements
  - b. developing an annual budget and determining, assessing, and collecting amounts required for the operation and other affairs of the condominium
  - c. employing and dismissing personnel as necessary for the efficient management and operation of the condominium property

- d. adopting, amending and enforcing rules and regulations for the use of condominium property, including adopting a policy for assessing fines, and including assessing costs in accordance with Article V.
  - e. opening bank accounts, borrowing money, and issuing evidences of indebtedness to further the purposes of the condominium and designating required signatories therefor
  - f. obtaining insurance for condominium property, the premiums of which shall be an administration expense
  - g. leasing or purchasing premises suitable for use by a managing agent or custodial personnel, on terms approved by the board
  - h. granting concessions and licenses for the use of parts of the common elements for purposes not inconsistent with the Michigan Condominium act or the condominium documents
  - i. authorizing the signing of contracts, deeds of conveyance, easements, and right-of-way affecting any real or personal property of the condominium on behalf of the co-owners.
  - j. making repairs, additions, improvements, and alterations to the condominium property and repairing and restoring the property in accordance with the other provisions of these bylaws after damage or destruction by fire or other casualties or condemnation or eminent domain proceedings
  - k. asserting, defending, or settling claims on behalf of all co-owners in connection with the common elements of the project and, on written notice to all co-owners, instituting actions on behalf of and against the co-owners in the name of the association
  - l. obtaining liability insurance for officers, directors, and board members of the condominium association, at the expense of the association, to insure such officers, directors, and board members from the expenses of lawsuits, claims, awards, or judgments against them for acting in their capacities as such officers, directors, and board members of the association
  - m. other duties as imposed by resolutions of the members of the association or as stated in the condominium documents
3. Accounting records. The association shall designate a person or persons to administer the

affairs of the condominium project and shall require that those persons keep books and records with a detailed account of the expenditures and receipts affecting the condominium project and its administration, and which specify the operating expenses of the project. These records shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the association and its co-owners. These records shall be open for inspection by the co-owners during reasonable working hours at a place to be designated by the association. The association shall prepare a financial statement from these records and distribute it to all co-owners at least once a year. The association shall define the contents of the annual financial statement. Qualified independent auditors (who need not be certified public accountants) shall review the records annually and audit them every fifth year. The cost of these reviews and audits shall be an administration expense. Audits need not be certified.

a. The person designated to administer the affairs of the project shall be assessed as the person in possession for any tangible personal property of the project owned or possessed in common by the co-owners. Personal property taxes based on that tangible personal property shall be treated as expenses of administration.

b. Expenditures affecting the administration of the project shall include costs incurred in the satisfaction of any liability arising within, caused by, or connected with, the common elements or the administration of the condominium project, and that receipts affecting the administration of the condominium project shall include 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 project.

4. Maintenance and repair.

a. Co-owners must maintain and repair their condominium Units, except general common elements in their units. Any co-owner who desires to repair a common element or structurally modify a unit must first obtain written consent from the association and shall be responsible for all damages to any other units or to the common elements resulting from such repairs or from the co-owner's failure to effect such maintenance and repairs.

b. The association shall maintain and repair the general common elements, inside and outside of the Units, and limited common elements to the extent stated in the master deed and shall charge the costs to all the co-owners as a common expense unless the repair is necessitated by the negligence, misuse, or neglect of a co-owner, in which case the expense shall be charged to the co-owner. The association and its agents shall have access to each Unit during reasonable working hours, on notice to the occupant, for the purpose of maintaining, repairing, or replacing any of the common elements in the Unit or accessible from it. The association and its agents shall also have access to each Unit at

all times without notice for emergency repairs necessary to prevent damage to other Units or the common elements.

5. Reserve fund. The association shall maintain a reserve fund, to be used only for major repairs and replacement of the common elements, as required by MCLA 559.205, MSA 26.50(205). The fund shall be established in the minimum amount stated in these bylaws on or before the transitional control date and shall, to the extent possible, be maintained at a level that is equal to or greater than ten (10%) percent of the current annual budget of the association. The minimum reserve standard required by this provision may prove to be inadequate, and the board shall carefully analyze the project from time to time to determine whether a greater amount should be set aside or if additional reserve funds shall be established for other purposes.
6. A Construction Lien otherwise arising under the construction lien act. 1980 PA 497. MCL 570.1101 to 570.1305, is subject to the following limitations, under Section 132 of the Condominium Act:
  - a. Except as provided in this section, a construction lien for work performed upon a condominium unit or upon a limited common element may attach only to the condominium Unit upon which the work was performed or to which the limited common element is appurtenant.
  - b. A construction lien for work authorized by the developer, residential builder, or principal contractor and performed upon the common elements may attach only to condominium Units owned by the developer, residential builder, or principal contractor at the time of recording of the statement of account and lien.
  - c. A construction lien for work authorized by the association of co-owners may attach to each condominium unit only to the proportionate extent that the co-owner of the condominium Unit is required to contribute to the expenses of administration as provided by the condominium documents.
  - d. A construction lien may not arise or attach to a condominium Unit for work performed on the Common elements not contracted by the developer, residential builder, or principal contractor or by the association of co-owners.
7. Managing agent. The association board may employ for the association a management company or managing agent at a compensation rate established by the board to perform duties and services authorized by the board, including the powers and duties listed in paragraph 2 of this article. The developer or any person or entity- related to it may serve as managing agent if the board appoints the party.
8. Officers. The association bylaws shall provide for the designation, number, terms of



office, qualifications, manner of election, duties, removal, and replacement of officers of the association and may contain any other provisions pertinent to officers of the association that are not inconsistent with these bylaws. Officers may be compensated, but only on the affirmative vote of more than Sixty (60%) percent of all co-owners, in number and in value.

9. Indemnification. All directors and officers of the association shall be entitled to indemnification against, costs and expenses incurred as a result of actions (other than willful or wanton misconduct or gross negligence) taken or failed to be taken on behalf of the association on ten (10) days' notice to all co-owners, in the manner and to the extent provided by the association bylaws. If no judicial determination of indemnification has been made, an opinion of independent counsel on the propriety of indemnification shall be obtained if a majority of co-owners vote to procure such an opinion.

#### ARTICLE V ASSESSMENTS AND DEFAULTS

1. Administration expenses. The association shall be assessed as the entity in possession of any tangible personal property of the condominium owned or possessed in common by the co-owners. Personal property taxes based on such assessments shall be treated as administration expenses. All costs incurred by the association for any liability connected with the common elements or the administration of the project shall be administration expenses. All sums received pursuant to any policy of insurance securing the interests of the co-owners against liabilities or losses connected with the common elements or the administration of the project shall be administration receipts.
2. Determination of assessments. From time to time and at least annually, the board shall adopt a budget for the condominium that shall include the estimated funds required to defray common expenses for which the association is responsible for the next year, including a reasonable allowance for contingencies and reserves and shall allocate and assess these common charges against all co-owners according to their respective common interests on a monthly basis. In the absence of co-owner approval as provided in these bylaws, such assessments shall be increased only if one of the following conditions is met:
  - a. The board finds the budget as originally adopted is insufficient to pay the costs of operating and maintaining the common elements.
  - b. It is necessary to provide for the repair or replacement of existing common elements.
  - c. The board decides to purchase additions to the common elements, the costs of which may not exceed \$2,500 or \$50 per Unit annually, whichever is less.

- d. An emergency or unforeseen development necessitates the increase. Any increase in assessments other than under these conditions, including assessments to purchase or lease a Unit for the use of a resident manager, shall be considered a special assessment requiring approval by a vote of 66 2/3rds percent or more of the co-owners, in number and in value.
  - e. Special assessments, in addition to those required in subparagraph c. above, may be made by the board of directors from time to time and approved by the co-owners as hereinafter provided to meet other needs or requirements of the association including, but not limited to: (1) assessments for additions to the common elements of a cost exceeding \$2,500 for the entire condominium project per year. (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in the master deed and these bylaws, (3) assessments to purchase a Unit for use as resident manager's unit, or (4) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (but not including those assessments referred to subparagraph c. above, which shall be levied in the sole discretion of the board of directors) shall not be levied without the prior approval of 66-2/3% of all co-owners in number and in value. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the association and the members thereof and shall not be enforceable by any creditors of the association or the members thereof.
3. Levy of assessments.
- a. Common expenses associated with the maintenance, repair, renovation, restoration, or replacement of a limited common element, including Unit owner water usage, shall be specially assessed against the condominium Unit to which that limited common element was assigned at the time the expenses were incurred. If the limited common element involved was assigned to more than one (1) condominium Unit, the expenses shall be specially assessed against each of the condominium Units equally so that the total of the special assessments equals the total of the expenses, unless the condominium documents have been amended to provide otherwise.
  - b. Any other unusual common expenses benefiting less than all of the condominium Units, or any expenses incurred as a result of the conduct of less than all those entitled to occupy the condominium project or by their licensees or invitees, shall be specially assessed against the condominium Unit or condominium Units involved, in accordance with reasonable provisions as the condominium documents may provide, unless the condominium documents have been amended to provide otherwise.

- c. The amount of all common expenses not specially assessed pursuant to subsections (a) and (b) shall be assessed against the condominium Units in proportion to the percentage of value or other formula stated in the master deed for apportionment of expenses of administration.
  - d. A co-owner shall not be exempt from contributing as provided in this act by non use or waiver of the use of any of the common elements, nor by abandonment of his or her condominium unit, nor by any alleged act, omission, or failure to maintain property by the association.
  - e. If the mortgagee of a first mortgage of record or other purchaser of a condominium Unit obtains title to the condominium Unit as a result of foreclosure of the first mortgage, such person, its successors, and assigns are not liable for the assessments by the administering body chargeable to the Unit that became due prior to the acquisition of title to the Unit by such person except for assessments that have priority over the first mortgage under the Condominium Act. Section 108.
4. All assessments levied against the Units to cover administration expenses, including water, shall be apportioned among and paid by the co-owners equally, in advance and without any increase or decrease in any rights to use limited common elements. The common expenses shall include expenses the board deems proper to operate and maintain the condominium property under the powers and duties delegated to it under these bylaws and may include amounts to be set aside for working capital for the condominium, for a general operating reserve, and for a reserve to replace any deficit in the common expenses for any prior year. Any reserves established by the board before the initial meeting of members shall be subject to approval by the members at the initial meeting. The board shall advise each co-owner in writing of the amount of common charges payable by the co-owner and shall furnish copies of each budget on which such common charges are based to all co-owners.
5. Collection of assessments and defaults. Each co-owner shall be obligated to pay all assessments, including water charges, levied on the co-owner's Unit while the co-owner owns the Unit. No co-owner may be exempted from liability for contribution toward the administration expenses by a waiver of the use or enjoyment of any of the common elements or by the abandonment of the co-owner's Unit. A payment default by a co-owner or failure to abide by the provisions of the condominium association bylaws shall entitle the association of co-owners to the following relief:
- a. Failure to comply with any of the terms or provisions of the condominium documents, shall be grounds for relief, which may include without limitations, an action to recover sums due for damages, injunctive relief, foreclosure of lien if default in payment of assessment, or any combination thereof.

- b. In a proceeding arising because of an alleged default by a co-owner, the association, of co-owners or the co-owner, if successful, shall recover the costs of the proceeding and reasonable attorney fees, as determined by the court.
- c. Such other reasonable remedies including but without limitation the levying of fines against co-owners after notice and hearing thereon and the imposition of late charges for nonpayment of assessments as provided in the condominium bylaws or rules and regulations of the condominium. If the association board of directors decides that the association, or its board, shall have the right to levy fines, then such fine shall be reasonable, and bear interest at the rate of 7% per year.
- d. Sums assessed to a co-owner by the association of co-owners that are unpaid together with interest on such sums, collection and late charges, advances made by the association of co-owners for taxes or other liens to protect its lien, attorney fees, and fines in accordance with the condominium documents, constitute a lien upon the Unit or units in the project owned by the co-owner at the time of the assessment before other liens except tax liens on the condominium Unit in favor of any state or federal taxing authority and sums unpaid on a first mortgage of record except that past due assessments that are evidenced by a notice of lien, recorded as set forth in subsection (f), below have priority over a first mortgage recorded subsequent to the recording of the notice of lien. The lien upon each condominium Unit owned by the co-owner shall be in the amount assessed against the condominium Unit, plus a proportionate share of the total of all other unpaid assessments attributable to condominium Units no longer owned by the co-owner but which became due while the co-owner had title to the condominium Units. The lien may be foreclosed by an action or by advertisement by the association of co-owners in the name of the condominium project on behalf of the other co-owners.
- e. A foreclosure shall be in the same manner as a foreclosure under the laws relating to foreclosure of real estate mortgages by advertisement or judicial action except that to the extent the condominium documents provide, the association of co-owners is entitled to reasonable interest, expenses, costs, and attorney fees for foreclosure by advertisement or judicial action. The redemption period for a foreclosure is six (6) months from the date of sale unless the property is abandoned; in which event the redemption period is one (1) month from the date of sale.
- f. A foreclosure proceeding may not be commenced without recordation and service of notice of lien in accordance with the following:
  - (1.) Notice of lien shall set forth all of the following:

- (A.) The legal description of the condominium Unit or condominium Units to which the lien attaches.
  - (B.) The name of the co-owner of record.
  - (C.) The amounts due the association of co-owners at the date of the notice, exclusive of interest, costs, attorney fees, and future assessments.
- (2.) The notice of lien shall be in recordable form, executed by an authorized representative of the association of co-owners and may contain other information that the association of co-owners considers appropriate.
- (3.) The notice of lien shall be recorded in the office of register of deeds in Wayne County and shall be served upon the delinquent co-owner by first class mail, postage prepaid, addressed to the last known address of the co-owner at least ten (10) days in advance of commencement of the foreclosure proceeding.
- g. The association of co-owners, acting on behalf of all co-owners, unless prohibited by the master deed or bylaws, may bid in at the foreclosure sale, and acquire, hold, lease, mortgage, or convey the condominium Unit.
  - h. An action to recover money judgments for unpaid assessments may be maintained without foreclosing or waiving the lien.
  - I. An action for money damages and foreclosure may be combined in one (1) action.
  - j. A receiver may be appointed in an action for foreclosure of the assessment lien and may be empowered to take possession of the condominium unit, if not occupied by the co-owner and to lease the condominium Unit and collect and apply the rent therefrom.
  - k. The co-owner of a condominium Unit subject to foreclosure pursuant to this section, and any purchaser, grantee, successor, or assignee of the co-owner's interest in the condominium Unit, is liable for assessments by the association of co-owners chargeable to the condominium Unit that become due before expiration of the period of redemption together with interest, advances made by the association of co-owners for taxes or other liens to protect its lien, costs, and attorney fees incurred in their collection.
  - l. The mortgagee of a first mortgage of record of a condominium Unit shall give notice to the association of co-owners of the commencement of foreclosure of the

first mortgage by advertisement by serving a copy of the published notice of foreclosure required by statute upon the association of co-owners by certified mail, return receipt requested, addressed to the resident agent of the association of co-owners at the agent's address as shown on the records of the Michigan Corporation and Securities Bureau, or to the address the association provides to the mortgagee, if any, in those cases where the address is not registered, within ten (10) days after the first publication of the notice. The mortgagee of a first mortgage of record of a condominium Unit shall give notice to the association of co-owners of intent to commence foreclosure of the first mortgage by judicial action by serving a notice setting forth the names of the mortgagors, the mortgagee and the foreclosing assignee of a recorded assignment of the mortgage; the date of the mortgage and the date the mortgage was recorded; the amount claimed to be due on the mortgage on the date of the notice; and a description of the mortgaged premises that substantially conforms with the description contained in the mortgage upon the association of co-owners by certified mail, return receipt requested, addressed to the resident agent of the association of co-owners at the agent's address as shown on the records of the Michigan Corporation and Securities Bureau, or to the address the association provides to the mortgagee, if any, in those cases where the address is not registered; not less than ten (10) days before commencement of the judicial action. Failure of the mortgagee to provide notice as required by this section shall only provide the association with legal recourse and will not, in any event, invalidate any foreclosure proceeding between a mortgagee and mortgagor.

- m. The association may enter the common elements, limited or general, to remove or abate any condition or may discontinue the furnishing of any services to a co-owner in default under any of the condominium documents on seven days written notice to the co-owner.
- n. A co-owner in default may not vote at any meeting of the association as long as the default continues.
- o. Upon the sale or conveyance of a condominium Unit, all unpaid assessments, interest, late charges, fines, costs, and attorney fees against a condominium Unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except the following:
  - (i.) Amounts due the state, or any subdivision thereof, or any municipality for taxes and special assessments due and unpaid on the condominium Unit.
  - (ii.) Payments due under a first mortgage having priority thereto.

- p. A purchaser or grantee is entitled to a written statement from the association of co-owners setting forth the amount of unpaid assessments, interest, late charges, fines, costs, and attorney fees against the seller or grantor and the purchaser or grantee is not liable for, nor is the condominium unit conveyed or granted subject to a lien for unpaid assessments, interest, late charges, fines, costs, and attorney fees against the seller or grantor in excess of the amount set forth in the written statement. Unless the purchaser or grantee requests a written statement from the association of co-owners as provided in this act, at least 5 days before sale, the purchaser or grantee shall be liable for any unpaid assessments against the condominium Unit together with interest, costs, fines, late charges, and attorney fees incurred in the collection thereof.
6. Obligations of the developer.

a. The developer shall be assessed by the association for actual costs, if any, incurred by the association that are directly attributable to the Units being constructed by the developer. The developer shall not be assessed for the costs of administration that may indirectly benefit the developer, such as legal fees, accounting fees, and maintenance of the landscaping, drives, and walks. If a Unit owned by the developer is leased or otherwise permanently occupied by a person holding under or through the developer, the developer shall pay all regular monthly assessments for the Unit. In no event shall the developer be responsible for the cost of capital improvements or additions, by special assessment or otherwise, except for occupied Units owned by it.

#### ARTICLE VI TAXES, INSURANCE, AND REPAIRS

1. Taxes. After the year when the construction of the building containing a Unit is completed, all special assessments and property taxes shall be assessed against the individual Units and not against the total property of the project or any part of it. In the initial year in which the building containing a Unit is completed, the taxes and special assessments that become a lien against the property of the condominium shall be administration expenses and shall be assessed against the Units according to their percentages of value. Special assessments and property taxes in any year when the property existed as an established project on the tax day shall be assessed against the individual Units, notwithstanding any subsequent vacation of the project. Assessments for subsequent real property improvements to a specific Unit shall be assessed to that Unit only. Each Unit shall be treated as a separate, single Unit of real property for the purpose of property taxes and special assessments and shall not be combined with any other Units. No assessment of a fraction of any Unit or a combination of any Unit with other Units or fractions of Units shall be made, nor shall any division or split of an assessment or tax on a single unit be made, notwithstanding separate or common

ownership of the Unit.

2. Insurance. The association shall be appointed as attorney-in-fact for each co-owner to act in connection with insurance matters and shall be required to obtain and maintain, to the extent available and applicable, fire insurance with extended coverage: vandalism and malicious mischief endorsements: liability insurance and worker compensation insurance pertinent to the ownership, use, and maintenance of the common elements to the project. Such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:
  - a. All such insurance shall be purchased by the board of directors for the benefit of the association, the co-owners, their mortgagees, and the developer, according to their interests. Each co-owner shall be responsible for obtaining insurance coverage at the co-owner's expense for the interior of the co-owner's Unit, including wall coverings, floor coverings, sliders, windows, and screens. Each co-owner is responsible for obtaining insurance for the personal property located within the co-owner's Unit or elsewhere in the condominium for personal liability for occurrences within the co-owner's Unit or on limited common elements appurtenant to the Unit, and for expenses to cover alternate living arrangements if a casualty causes temporary loss of the Unit. The association shall have no responsibility for obtaining such insurance. The association and all co-owners shall use their best efforts to see that all property and liability insurance carried by the association or any co-owner shall contain appropriate provisions for the insurer to waive its right of subrogation regarding any claims against any co-owner or the association.
  - b. All common elements of the project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, excluding land, landscaping, blacktopping, foundation, and excavation costs, as determined annually by the board of directors of the association. Such coverage shall also include interior walls within any Unit; the pipes, wires, conduits, and ducts in these walls; and all appliances, fixtures, equipment, and trim within a Unit that were furnished with the Unit as standard items in accordance with the plans and specifications for the Unit on file with the association (or any replacements that do not exceed the costs of such standard items). Any improvements made by a co-owner within a Unit shall be covered by insurance obtained at the expense of the co-owner. If the association elects to include owner improvements under its insurance coverage, any additional premium cost to the association attributable to the coverage shall be assessed to the co-owner and collected as a part of the assessments against the co-owner as provided in these bylaws.
  - c. The association shall maintain adequate fidelity coverage to protect against



dishonest acts by its officers, directors, trustees, and employees and all others who are responsible for handling the association's funds. Such fidelity bonds shall meet the following requirements:

- (1) The association shall be named as obligee.
  - (2) The policy shall be written in whatever amount any lending institution or other agency requesting the policy requires, according to the estimated annual operating expenses of the condominium project, including reserves.
  - (3) The policy shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of *employee* or similar terms.
  - (4) The policy shall provide that it may not be canceled or substantially modified, including for nonpayment of premiums, without at least thirty (30) days written notice.
- d. The board of directors is irrevocably appointed the agent for each co-owner, each mortgagee, other named insureds and their beneficiaries, and any other holders of liens or other interests in the condominium or the property, to adjust and settle all claims arising under insurance policies purchased by the board and to sign and deliver releases once claims are paid.
- e. Except as otherwise set forth in these bylaws, all Premiums on insurance purchased by the association pursuant to these bylaws shall be administration expenses.
3. Reconstruction and Repairs. If the condominium project or any of its common elements are destroyed or damaged, in whole or in part, and the proceeds of any policy insuring the project of common elements and payable because of the destruction or damage are sufficient to reconstruct the project, then the proceeds shall be applied to reconstruction. As used in this provision *reconstruction* means restoration of the project to substantially the same condition that it was in before the disaster, with each Unit and the common elements having the same vertical and horizontal boundaries as before.
- a. If the property is not insured against the peril causing the loss or the proceeds of the policies insuring the project and payable because of the loss are insufficient to reconstruct the project, provisions for reconstruction may be made by the affirmative vote of at least Seventy Five (75%) percent of the co-owners voting at a meeting called for that purpose. Any such meeting shall be held within thirty (30) days after the final adjustment of insurance claims, if any, or within ninety (90) days after the disaster, whichever occurs first. At any such meeting, the board

or its representative shall present to the co-owners present an estimate of the cost of the reconstruction and the estimated amount of necessary special assessments against each Unit to pay for it. If the property is reconstructed, any insurance proceeds shall be applied to the reconstruction, and special assessments may be made against the Units to pay the balance.

- b. If the property is not insured against the peril causing the loss or the proceeds of the policies insuring the project and payable because of the loss are insufficient to reconstruct the project and provisions for reconstruction are not made pursuant to the preceding paragraph, provisions for the withdrawal of any part of the property from the provisions of the Michigan Condominium Act and the project may be made by the affirmative vote of at least Seventy Five (75%) percent of the co-owners voting at a meeting called for that purpose. Any such meeting shall be held within thirty (30) days after the final adjustment of insurance claims, if any or within ninety (90) days after the disaster, whichever occurs first. When a Unit or part of a Unit is withdrawn, the percentage of ownership in the common elements appurtenant to that Unit shall be reallocated among the remaining Units based on the relative percentages of ownership in the common elements appurtenant to each remaining Unit. If only part of a Unit is withdrawn, the percentage of ownership in the common elements appurtenant to that Unit shall be reduced accordingly, based on the diminution in the market value of the Unit, as determined by the board. Any insurance proceeds shall be allocated, on the basis of square footage withdrawn or some other equitable basis determined by the board, among the Units, parts of Units, and parts of the common elements withdrawn. As compensation for such withdrawals,
- (1) any insurance proceeds allocated to withdrawn Units or parts of Units shall be paid to the owners in proportion to their percentages of ownership in the common elements appurtenant to the withdrawn Units or parts of Units;
  - (2) any insurance proceeds allocated to withdrawn parts of the limited common elements shall be paid to the Unit owners entitled to their use in proportion to their percentages of ownership in the common elements appurtenant to the Units served by the withdrawn limited common elements: and
  - (3) any insurance proceeds allocated to withdrawn parts of the general common elements shall be paid to all Unit owners in proportion to their percentages of ownership in the common elements.

On the withdrawal of any Unit or part of a Unit, the owner shall be

relieved of any further responsibility or liability for the payment of any assessments for the Unit, if the entire Unit is withdrawn or for the payment of the part of assessments proportional to the diminution in square footage of the Unit if only part of the Unit is withdrawn.

- c. If the property is not insured against the peril causing the loss or the proceeds of the policies insuring the project and payable because of the loss are insufficient to reconstruct the project and no provisions for either reconstruction or withdrawal are made pursuant to the preceding paragraphs, the provisions of the Michigan Condominium Act shall apply.

Prompt written notice of all material damage or destruction to a Unit or any part of the common elements shall be given to the holders of first mortgage liens on any affected Units.

4. Eminent domain. The following provisions shall pertain on any taking by eminent domain;
  - a. If any part of the common elements is taken by eminent domain, the award shall be allocated to the co-owners in proportion to their undivided interests in the common elements. The association, through its board of directors, may negotiate on behalf of all co-owners for any taking of common elements, and any negotiated settlement approved by more than two-thirds of the co-owners based on assigned voting rights shall bind all co-owners.
  - b. If a Unit is taken by eminent domain, that Unit's undivided interest in the common elements shall be reallocated to the remaining Units in proportion to their undivided interests in the common elements. The court shall enter a decree reflecting the reallocation of undivided interests and the award shall include just compensation to the co-owner of the Unit taken for the co-owner's undivided interest in the common elements, as well as for the Unit.
  - c. If part of a Unit is taken by eminent domain, the court shall determine the fair market value of the part of the Unit not taken. The undivided interest for the Unit in the common elements shall be reduced in proportion to the diminution in the fair market value of the Unit resulting from the taking. The part of the undivided interest in the common elements thus divested from the co-owner of a Unit shall be reallocated among the other Units in the project in proportion to their undivided interests in the common elements. A Unit that is partially taken shall receive the reallocation in proportion to its undivided interest as reduced by the court order under this provision. The court shall enter a decree reflecting the reallocation of undivided interests, and the award shall include just compensation to the co-owner of the Unit partially taken for that part of the undivided interest in

the common elements divested from the co-owner and not revested in the co-owner pursuant to provision d. (below), as well as for the part of the Unit taken by eminent domain.

- d. If the taking, of part of a Unit makes it impractical to use the remaining part of that Unit for a lawful purpose permitted by the condominium documents, the entire undivided interest in the common elements appertaining to that Unit shall be reallocated to the remaining units in the project in proportion to their undivided interests in the common elements. The remaining part of the Unit shall then be a common element. The court shall enter an order reflecting the reallocation of undivided interests, and the award shall include just compensation to the co-owner of the Unit for the co-owner's entire undivided interest in the common elements and for the entire condominium Unit.
- e. Votes in the association and liability for future administration expenses pertaining to a Unit that is taken or partially taken by eminent domain shall be reallocated to the remaining Units in proportion to their voting strength in the association. The voting strength in the association of a Unit that is partially taken shall be reduced in proportion to the reduction in its undivided interest in the common elements.

#### ARTICLE VII USE AND OCCUPANCY RESTRICTIONS

1. Residential use. Condominium Units shall be used exclusively for residential occupancy. No Unit or common element shall be used for any purpose other than as a single-family residence or for other purposes customarily incidental to that use, except that professional and quasi-professional co-owners may use their residences as ancillary facilities to their offices established elsewhere, as only as such use does not generate unreasonable traffic by members of the general public. However, these restrictions on use shall not be construed to prohibit a co-owner from (a) maintaining a personal professional library, (b) keeping personal business or professional records or accounts, or (c) handling personal business or professional telephone calls or correspondence. Such uses are customarily incidental to principal residential use and not in violation of these restrictions. No part of a Unit may be rented and no transient tenants may be accommodated in a Unit. However, this restriction shall not prevent the rental or sublease of an entire Unit for residential purposes, as approved by the master deed, bylaws, or action of the association.
2. No more than five (5) persons may continuously occupy any Unit in the Project, with the exception that no more than six (6) persons may continuously occupy a three bedroom Unit. Continuous occupancy shall mean occupancy for more than thirty (30) nights in any calendar year. In the event that violation of this subparagraph by a co-owner in occupancy of a Unit result from the birth or adoption of a child, this restriction shall be suspended as to such co-owner for a period of one year to enable the co-owner a

reasonable time within which to vacate such Unit.

3. Alterations and Modifications. No co-owner shall make alterations in the exterior appearance of their Unit, including the address plaque placed by the developer; or make structural modifications (including interior walls through or in which there exist easements for support or utilities), or make changes in any of the common elements, limited or general, without the express written approval of the board of directors of the association, including without limitation exterior painting, no windows shall be tinted, colored, and illuminated by colored lights of any type, neon lights installed, or other form of non-incandescent lights placed in windows. other than standard types of lamps using incandescent bulbs of reasonable brightness or wattage on tables or surfaces other than sills, or the erection of antennas and aerials (except as provided herein elsewhere), lights, awnings, doors, shutters, newspaper holders, mailboxes, hose reels, except within the garage of a unit, basketball backboards, bird houses or bird feeders, or other exterior attachments or modifications. No co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, irrigation or sprinkler system valves or any element which affects an association responsibility in any way. Should access to any facilities of any sort be required, the association may remove any coverage or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access. Co-owners shall not change or modify any exterior lighting or lamps, including changing the color of light bulbs, or adding filters; or other coloring materials to change the appearance of such lighting fixtures. Spot lights shall not be permitted. Lights may not be connected to motion-detector activated switches. No outside claxons or sirens may be maintained on any Units as part of an alarm or security system, or otherwise. It is understood that the developer will install one outside light near the entry way of each Unit with a photocell to cause such light to be on during times when it is night or there is low outside light: no co-owner shall change or tamper with these photocells, or change the wattage of the lights installed by the developer, for the purpose of maintaining attractive uniformity for the project and all co-owners, their families, and guests.

Holiday decorations may be installed by individual co-owners, however such decorations shall be limited to the entry-way door of the Unit, and such decorations shall not be placed on a co-owner's unit more than five weeks before the holiday, and must be removed within two weeks after the holiday. There shall be no holiday decorations placed on Unit balconies or patios. The association shall have broad discretion to promulgate rules on appropriate and in-appropriate holiday decorations and lighting, including the quantities of such decorations and the types of lighting and brightness of lighting, and whether lights may be flashing, blinking, or intermittent in display characteristics.

4. Activities. No improper, unlawful, immoral, 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 nuisance to the co-owners of the condominium. No unreasonably noise activity shall occur in or on the common elements or in any Unit at anytime and disputes among co-owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the association. No nuisances shall be permitted on the condominium property, nor shall any use or practice that is a source of annoyance to the residents or that interferes with the peaceful possession or proper use of the project by its residents be permitted. No work shall be permitted inside garages after 9:00 p.m., and at no time shall there be unreasonable or excessive noise from radios, music players, power tools and equipment. Motorcycles may be stored in garages, but the engines shall not be started in garages, and when taken from the garage, motorcycles shall be started and driven off the project premises along drives as directly as possible, and returned to garages in the same manner, all to limit the potential noise and aggravation to other co-owners, their families, and guests. No item shall be stored or maintained in a garage which will prohibit the garage door from closing completely to the ground. No gasoline or other flammable or explosive substance shall be maintained or stored in a garage or elsewhere in a Unit, other than fuel actually in the tank of a motor vehicle. 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 even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: Any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other weapons, projectiles or devices. No fireworks shall be used at any time within the project.
5. Pets. No animals, except household pets shall be maintained by any co-owner unless specifically approved in writing by the association. No animal maybe kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the common elements and any animal shall at all times be leashed and attended by some responsible person while on the common elements, limited or general, and the owner of each pet shall be responsible for cleaning up after it. No savage or dangerous animal shall be kept and any co-owner who causes any animal to be brought or kept upon the premises of the condominium shall indemnify and hold harmless the association for any loss, damage or liability which the association may sustain as the result of the presence of such animal on the premises, whether or not the association has given permission therefor. No dog which barks can be heard on any frequent or continuing basis shall be kept in any Unit or on the common elements. The association may charge all co-owners maintaining animals a reasonable additional assessment in the event that the association determines such assessment necessary, to

defray the maintenance cost of the association of accommodating animals within the condominium. The association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the board of directors of the association may assess fines for such violation in accordance with these bylaws and in accordance with duly adopted rules.

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 may not be placed outside until after sundown on the evening before trash pick-up day. Pick-up of large items, such as appliances, furniture, or mattresses, shall be as arranged with the company responsible for trash pick-up and shall be placed out in the manner and time to fully meet that company's specifications. Trash receptacles shall be maintained in areas designed therefor at all times and shall not be permitted to remain elsewhere on the common elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. No unsightly condition shall be maintained on any patio, balcony, stoop, or entranceway, and only furniture and equipment consistent with normal and reasonable use may be placed on patios and balconies, and no furniture or equipment of any kind shall be placed on stoops, or stored on patios or balconies during the winter season, November 1 to March 31. The common elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics, 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 is detrimental to the appearance of the condominium. No co-owner shall display, hang, or store any clothing, sheets, blankets, laundry; or other articles outside a unit or inside the Unit in a way that is visible from the outside of the Unit. Co-owners shall not paint or decorate the outside of a Unit or install window air-conditioning unit, snap-in window divider, awning, or other equipment, fixtures, or items without written permission from the board or the managing agent. These restrictions shall not be construed to prohibit a co-owner from placing and maintaining outdoor furniture and flower pots with decorating, foliage of a customary type and appearance on a patio or balcony that is a limited common element appurtenant to a Unit. No co-owner shall install any radio or television antenna, solar dish, or similar device on any Unit, Notwithstanding the foregoing, a co-owner shall be permitted to install an antenna for reception of direct television broadcasting or reception of video programming by wireless cable (otherwise known as a multi-channel multipoint distribution) so long as such installation is at the location designed by the architect for such installations in the roof area, through the attic area, or as it may elsewhere be located, and such installation is not visible from the exterior of the unit. (Note: no Unit has a rear, and all exterior locations are highly visible to neighbors) except as designated by the architect, and in conformance with such other reasonable rules and regulations as may be imposed by the association in support of safety and aesthetic concerns within limits proscribed by the Federal Communications Commission.

7. Vehicles. No house trailers, mobile homes, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles, other than automobiles or vehicles used primarily for general personal transportation use, may be parked or stored upon the premises of the condominium, unless parked in an area specifically designated therefore by the association. The parking or operation of motorcycles is specifically prohibited anywhere in the condominium, except as provided above. Parking in general common element parking spaces is reserved exclusively for guests on the premises of the condominium for the purpose of loading and unloading with the prior written approval of the association. No inoperable vehicles of any type may be brought or stored upon the condominium premises either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the condominium (except as above provided) unless while making deliveries or pickups in the normal course of business in areas designated for such delivery vehicles. (A vehicle shall be considered a commercial vehicle if has more than four wheels, or if it is used primarily for construction, deliveries, or carrying tools, or if it has commercial license plates.) Co-owners shall, if the association shall require, register with the association all cars maintained on the condominium premises. No tents, shacks, accessory building, outbuilding, or other temporary structure shall be erected, occupied, or used on the condominium property without written consent from the association. No recreational vehicles, boats or trailers shall be maintained on the condominium property unless stored in the garage, and under no circumstances shall boat motors, snow mobiles, personal water craft, or other motorized recreational equipment be started inside garages, or on the condominium premises, except vehicles built for highway use, such as motor homes. No maintenance or repair shall be performed on any boat or vehicle except within a garage or Unit where it is totally isolated from public view. No oil, grease, gasoline, or toxic materials of any type, shall be disposed of on the condominium premises.
8. Advertising. No signs, banners, or other advertising devices of any kind shall be displayed which are visible from the exterior of a unit or on the common elements, including "For Sale" signs, without written permission from the association.
9. Rules and Regulations. It is intended that the board of directors of the association may make rules and regulations from time to time to reflect the needs and desires of the majority of the co-owners in the condominium. Reasonable regulations consistent with the Condominium Act, the master deed and these bylaws concerning the use of the common elements may be made and amended from time to time by the board of directors of the association, including the first board of directors (or its successors) prior to the transitional control date. Copies of all such rules, regulations and amendments thereto shall be furnished to all co-owners. Any such regulation or amendment may be revoked or at any time by the board of directors or by the affirmative vote of 66-2/3% of the co-owners in number and value, except that the co-owners may not revoke any regulation or amendment prior to the first annual meeting of the entire association.



10. Right to Access of Association. The association or its duly authorized agents shall have access to each unit and limited common elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the co-owners thereof as may be necessary for the maintenance, repair or replacement of any of the common elements. The association or its agents shall 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-owners for any necessary damage to his and any limited common elements appurtenant thereto caused thereby or repair or replacement of any doors or windows damaged in a gaining such access.
11. Landscaping. No co-owner shall perform any landscaping or plant any trees, shrubs or place any ornamental materials upon the common elements without the prior written approval of the association.
12. Common Elements Maintenance. Sidewalks, yards, landscaping areas, driveways, drives, and parking areas shall not be obstructed in any way, nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the common elements. No pots, lanterns, statues, decorative ornaments shall be placed around the exterior of any Unit. No barbeque grilles, or cooking equipment, unless appropriate natural gas or liquid propane fired, shall be used, on any balcony or patio. No barbeque grilles, open fires, or other outdoor cooking equipment shall be used or maintained on any limited or general common element. A reasonable number of flower pots, or similar floral containers, when they contain healthy and attractive plants or small evergreen type trees, may be maintained on the limited common elements of the balconies and patios, only. No such decorative materials shall be kept on door stoops, walkways, or in driveways. No play equipment, other than that which is maintained by the association, shall be placed on the project grounds. No bicycles, vehicles, chairs or other obstructions may be left unattended on or about the common elements. Balconies and other limited and general common elements, other than patios, shall be cleared of all personal materials, including chairs, other furniture, flower pots (if not containing healthy green plants), during the winter months, November 1 to March 31, of each year.
13. Co-owner Maintenance. Each co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clear, and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone,

water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there shall be no such responsibility, unless reimbursement to the Association is 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). Any cost or damages to the association may be assessed to and collected from the responsible Co-owner in the manner provided in Article 11 hereof.

14. Reserved Rights of Developer.

(a) Developer's Rights In Furtherance of Development and Sales None of the restrictions contained in this Article VII shall apply to the commercial activities, signs, or billboards, if any, of the developer during the Construction and Sales Period or of the Association in furtherance of its powers and purposes set forth herein and in the Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by Developer, and may continue to do so during the entire Construction and Sales Period. Developer shall restore the areas so utilized to habitable status upon termination of use.

(b) Enforcement of Bylaws. The Condominium Project at all times must be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then Developer or any entity to which it may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws throughout the Construction and Sales Period notwithstanding that it may no longer own a Unit in the Condominium which right of enforcement may include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

15. Common areas. Only co-owners of units in the condominium and their agents, tenants, family members, invitees, and licensees may use the common elements for access to and from the Units and for other purposes incidental to the use of the Units. Any recreational

facilities, storage areas, and other common areas designed for a specific use shall be used only for the purposes approved by the association. The use, maintenance, and operation of the common elements shall not be obstructed or unreasonably interfered with by any co-owner and shall be subject to any leases, concessions, or easements now or later entered into by the association.

16. Remedies on breach. A default by a co-owner shall entitle the association to the following relief:
- a. Failure to comply with any restriction on use and occupancy in these bylaws or with any other provisions of the condominium documents shall be grounds for relief, which may include an action to recover sums due for damages, injunctive relief, the foreclosure of a lien, or any other remedy that the board of directors determines is appropriate as may be stated in the condominium documents, including the discontinuance of services on seven days notice, the levying of fines against co-owners after notice and hearing, and the imposition of late charges for the nonpayment of assessments. All such remedies shall be cumulative and shall not preclude any other remedies.
  - b. In a proceeding arising because of an alleged default by a co-owner, if the association is successful, it may recover the cost of the proceeding and actual attorney fees, as provided herein.
  - c. The failure of the association to enforce any provision of the condominium documents shall not constitute a waiver of the right of the association to enforce the provision in the future.

An aggrieved co-owner may compel the enforcement of the condominium documents by an action for injunctive relief or damages against the association, its officers, or another co-owner in the project.

17. Easements. The Association has the duty of maintaining the storm water detention system; A portion of the system, including the detention basin, is located on a permanent easement on land owned by another, south of the Pine Arbor Condominium's primary eighteen (18) acres ("Primary Site"). A power line on wooden poles which runs in an east - west direction and the electric power line towers, are all south of the Primary Site on the referenced land. No co-owner is allowed to enter this land owned by others, as they would be trespassing. The electrical installations could all prove hazardous to children or non experienced people and the Association shall assure that extreme care is taken to choose persons who are authorized to enter these lands for the purposes set forth herein. The Association shall designate appropriate representatives to enter the easement area to investigate the condition of the storm water maintenance system and hire and

cooperate with proper engineers or other consultants and contractors to make sure necessary work is done to meet Wayne County and City of Woodhaven standards, and to protect the lands and equipment owned by the owner of the land where the easement exists. The easement document is made a part of the Purchaser Information Booklet and it should be used by any person authorized by the Board of the Association to attend to this maintenance and supervision of maintenance.

#### ARTICLE VIII MORTGAGES

1. Mortgage of condominium units. Any co-owner who mortgages a condominium Unit shall notify the association of the name and address of the mortgagee, and the association shall maintain such information in a book entitled "Mortgagees of Units." At the written request of a mortgagee of any Unit, the mortgagee may; (a) inspect the records of the project during normal business hours, on reasonable notice; (b) receive a copy of the annual financial statement of the association, which is prepared for the association and distributed to the owners; and (c) receive written notice of all meetings of the association and designate, a representative to attend all such meetings. However, the association's failure to fulfill any such request shall not affect the validity of any action or decision.
2. Notice of insurance. The association shall notify each mortgagee appearing in the book of mortgagees of the name of each company insuring the condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and of the amounts of such coverage.
3. Rights of mortgagees. Notwithstanding any other provision of the condominium documents, except as required by law, any first mortgage of record of a condominium unit is subject to the following provisions:
  - a. The holder of the mortgage is entitled, on written request, to notification from the association of any default by the mortgagor in the performance of the mortgagor's obligations under the condominium documents that is not cured within thirty (30) days.
  - b. The holder of any first mortgage that comes into possession of a condominium Unit pursuant to the remedies provided in the mortgage, deed, or assignment in lieu of foreclosure shall be exempt from any option, right of first refusal, or other restriction on the sale or rental of the mortgaged Unit, including restrictions on the posting of signs pertaining to the sale or rental of the Unit.
  - c. The holder of any first mortgage that comes into possession of a condominium Unit pursuant to the remedies provided in the mortgage, deed, or assignment in lieu of foreclosure shall receive the property free of any claims for unpaid assessments or charges against the mortgaged Unit that have accrued before the

holder comes into possession of the Unit (except for claims for a pro rata share of assessments or charges resulting from a pro rata reallocation of assessments charged to all Units, including the mortgaged Unit).

4. Additional notification. When notice is to be given to a mortgagee, the board of directors shall also notify the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association, or any other public or private secondary mortgage market entity participating in purchasing or guarantying mortgages of Units in the condominium if the board of directors has received notice of the entity's participation.

#### ARTICLE IX LEASES

1. Before the transitional control date, during the development and sales period the rights of a co-owner, including the developer, to rent any number of condominium Units shall be controlled by the provisions of the condominium documents as recorded by the developer and shall not be changed without developer approval. After the transitional control date, the association of co-owners may amend the condominium documents as to the rental of condominium Units or terms of occupancy as provided under Article XI, Amendments. The amendments shall not affect the rights of any lessors or lessees under a written lease of otherwise in compliance with this section and executed before the effective date of the amendment, or condominium Units as long as they are owned or leased by the developer. All leasing shall comply with all civil rights laws, including, but not limited to the Michigan Elliot-Larsen Civil Rights Act (Act No. 453 of the Public Acts of 1976, as amended) which prohibits discrimination in housing based upon religion, race, color, national origin, age, sex, height, weight, familial status, or marital status.
2. A co-owner, including the developer, desiring to rent or lease a condominium unit shall disclose that fact in writing to the association of co-owners at least ten (10) days before presenting a lease form or otherwise agreeing to grant possession of a condominium unit to a potential lessee and at the same time, shall supply the association of co-owners with a copy of the exact lease form for its review for its compliance with the condominium documents. If no lease form is to be used, then the co-owner or developer shall supply the association of co-owners with the name and address of the potential lessee, along with the rental amount and due dates under the proposed agreement. All leases shall be for a period of at least 12 months in duration.
3. Tenants or non co-owner occupants shall comply with all of the conditions of the condominium documents of the condominium project, and all leases and rental agreements shall so state.

4. If the association of co-owners determines that the tenant or non co-owner occupant failed to comply with the conditions of the condominium documents, the association of co-owners shall take the following action:
  - (a) The association of co-owners shall notify the co-owner by certified mail, advising of the alleged violation by the tenant. The co-owner shall have fifteen (15) days after receipt of the notice to investigate and correct the alleged breach by the tenant or advise the association of co-owners that a violation has not occurred.
  - (b) If after fifteen (15) days the association of co-owners believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the co-owners on behalf of the association of co-owners, if it is under the control of the developer, an action for both eviction against the tenant or non co-owner occupant and, simultaneously, for money damages against the co-owner and tenant or non co-owner occupant for breach of the conditions of the condominium documents. The relief provided for this section may be by summary proceeding. The association of co-owners may hold both the tenant and the co-owner liable for any damages to the general common elements caused by the co-owner or tenant in connection with the condominium unit or condominium project.
5. When a co-owner is in arrearage to the association of co-owners for assessments, the association of co-owners may give written notice of the arrearage to a tenant occupying a co-owner's condominium 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 of co-owners. The deduction does not constitute a breach of the rental agreement or lease by the tenant. 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:
  - (a) Issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.
  - (b) initiate proceedings pursuant to subsection (4)(b).

ARTICLE X  
JUDICIAL ACTIONS, CLAIMS, AND ARBITRATION

1. Actions on behalf of and against the co-owners shall be brought in the name of the association. Subject to the express limitations on actions in these bylaws and in the association's articles of incorporation, the association may assert, defend or settle claims on behalf of all co-owners in connection with the common elements of the condominium. As provided in the articles of incorporation of the association, the commencement of any

civil action (other than one to enforce these bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the co-owners, and shall be governed by the requirements of this Article. The requirements of this Article will ensure that the co-owners are fully informed regarding the prospects and likely costs of any civil actions actually filed by the association. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid the waste of the association's assets in litigation where reasonable and prudent alternatives to the litigation exist. Each co-owner shall have standing to sue to enforce the requirements of this Article. The following procedures and requirements apply to the association's commencement of any civil action other than an action to enforce these by-laws or to collect delinquent assessments:

2. Board of Directors' Recommendation to Co-owners. The association's board of directors shall be responsible in the first instance for recommending to the co-owners that a civil action be filed and supervising and directing any civil actions that are filed.
3. Litigation Evaluation-Meeting. Before an attorney is engaged for purposed of filing a civil action on behalf of the association, the board of directors shall call a special meeting of the co-owners ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the co-owners of the date, and place of the litigation evaluation meeting shall be sent to all co-owners not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8 ½ x 11 paper:
  - (a) A certified resolution of the board of directors setting forth in detail the concerns of the board of directors giving rise to the need to file a civil action and further certifying that:
    - (i) it is in the best interests of the association to file a lawsuit;
    - (ii) that at least one member of the board of directors has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the association, without success;
    - (iii) litigation is the only prudent, feasible and reasonable alternative: and
    - (iv) the board of director's proposed attorney for the civil action is of the written opinion that litigation is the association's most reasonable and prudent alternative.
  - (b) A written summary of the relevant experience of the attorney ("litigation attorney") the board of directors recommends be retained to represent the association in the proposed civil action, including the following information: (1)

the number of years the litigation attorney has practiced law; and (ii) the name and address of every condominium and homeowner association for which the attorney has filed a civil action in any court, together with the case number, county and court in which each civil action was filed.

- (c) The litigation attorney's written estimate of the amount of the association's likely recovery in the proposed lawsuit, net of legal fees, court costs, expert witness fees and all other expenses expected to be incurred in the litigation.
  - (d) The litigation attorney's written estimate of the cost of the civil action through a trial on the merits of the case ("total estimated cost"). The total estimated cost of the civil action shall include the litigation attorney's expected fees, court costs, expert witness fees, and all other expenses expected to be incurred in the civil action.
  - (e) The litigation attorney's proposed written fee agreement.
  - (f) The amount to be specially assessed against each Unit in the condominium to fund the estimated cost of the civil action both in total and on a monthly per Unit basis, as required by Section 6 of this Article.
4. Independent Expert Opinion. If the lawsuit relates to the condition of any of the general or limited common elements of the condominium, the board of directors shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the common elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the board of directors shall conduct its own investigation as to the qualifications of any expert and shall not retain any expert recommended by the litigation attorney or any other attorney with whom the board of directors consults. The purpose of the independent expert opinion is to avoid any potential confusion regarding the condition of the common elements that might be created by a report prepared as an instrument of advocacy for use in a civil action. The independent expert opinion will ensure that the co-owners have a realistic appraisal of the condition of the common elements, the likely cost of repairs to or replacement of the same, and the reasonable and prudent repair and replacement alternatives. The independent expert opinion shall be sent to all co-owners with the written notice of the litigation evaluation meeting.
5. Fee Agreement with Litigation Attorney. The Association shall have a written fee agreement with the litigation attorney, and any other attorney retained to handle the proposed civil action. The association shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement,



unless the existence of the agreement is disclosed to the co-owners in the text of the association's written notice to the co-owners of the litigation evaluation meeting.

6. Co-owner Vote Required. At the litigation evaluation meeting the co-owners shall vote on whether to authorize the board of directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the association (other than a suit to enforce these bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the co-owners. Any proxies to be voted at the litigation evaluation meeting must be signed by at least seven (7) days prior to the litigation evaluation meeting. Notwithstanding any other provision of the condominium documents, no litigation shall be initiated by the association against the developer until such litigation has been approved by an affirmative vote two-thirds (2/3rds) of all members of the association in number and value attained after a litigation evaluation meeting held specifically for the purpose of approving such action.
7. Litigation Special Assessment. All legal fees incurred in pursuit of any civil action that is subject to paragraphs 1 through 10 of this Article shall be paid by special assessment of the co-owners ("litigation special assessment"). The litigation special assessment shall be approved at the litigation evaluation meeting (or any subsequent duly called and noticed meeting) by a majority in number and in value of all co-owners in the amount of the estimated total cost of the civil action. If the litigation attorney proposed by the board of directors is not retained, the litigation special assessment shall be in an amount equal to the estimate of the attorney actually retained by the association. The litigation special assessment shall be apportioned to the co-owners in accordance with their respective percentage of value interests in the condominium and shall be collected from the co-owners on a monthly basis. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty four (24) months.
8. Attorney's Written Report. During the course of any civil action authorized by the co-owners pursuant to this Article, the retained attorney shall submit a written report ("attorney's written report") to the board of directors every thirty (30) days setting forth:
  - (a) The attorney's fees, the fees of any experts retained by the attorney, and all other costs of the litigation during the thirty day period immediately preceding the date of the a Attorney written report ("reporting period").
  - (b) All actions taken in the civil action during the reporting period, together with copies of all pleadings, court papers and correspondence filed with the court or sent to opposing counsel during the reporting period.
  - (c) A detailed description of all discussions with opposing counsel during the reporting period, written and oral, including, but not limited to settlement

discussions.

- (d) The costs incurred in the civil action through the date of the written report, as compared to the attorney's estimated total cost of the civil action.
  - (e) Whether the originally estimated total cost of the civil action remains accurate.
9. Monthly Board Meetings. The board of directors shall meet monthly during the course of any civil action to discuss and review:
- (a) the status of the litigation;
  - (b) the status of settlement efforts, if any; and
  - (c) the attorney's written report.
10. Changes in the Litigation Special Assessment. If, at any time during the course of a civil action, the board of directors determines that the originally estimated total cost of the civil action or any revision thereof is inaccurate, the board of directors shall immediately prepare a revised estimate of the total cost of the civil action. If the revised estimate exceeds the litigation special assessment previously approved by the co-owners the board of directors shall call a special meeting of the co-owners to review the status of the litigation, and to allow the co-owners to vote on whether to continue the civil action and increase the litigation special assessment. The meeting shall have the same quorum and voting requirements as a litigation evaluation meeting.
11. Disclosure of Litigation Expenses. The attorney's fees, court costs, expert witness fees and all other expense of any civil action filed by the association ("litigation expenses") shall be fully disclosed to co-owners in the association's annual budget. The litigation expenses for each civil action filed by the association shall be listed as a separate line item captioned "litigation expenses" in the association's annual budget.
12. Submission to Arbitration. Any dispute, claim, or grievance relating to the interpretation or application of the master deed, bylaws, or other condominium documents among co-owners or between owners and the association may, on the election and written consent of the parties to the dispute, claim, or grievance and written notice to the association, be submitted to arbitration by the arbitration association. The parties shall accept the arbitrator's award as final and binding. All arbitration under these bylaws shall proceed in accordance with MCLA 600.5001 et seq., MSA 27A.5001 et seq. and applicable rules of the arbitration association.
13. Disputes involving the developer. A contract to settle by arbitration may also be signed by the developer and any claimant with a claim against the developer that may be the

subject of a civil action, subject to the following conditions:

- a. At the exclusive option of a purchaser, co-owner, or person occupying a restricted Unit in the project, the developer shall sign a contract to settle by arbitration a claim that may be the subject of a civil action against the developer that involves less than \$2,500 and relates to a purchase agreement, condominium Unit, or the project.
  - b. At the exclusive option of the association of co-owners, the developer shall sign a contract to settle by arbitration a claim that may be the subject of a civil action against the developer that relates to the common elements of the project and involves less than \$10,000.
  - c. A person shall not maintain any action against any developer, residential builder, licensed architect, contractor, sales agent, or manager of a condominium project arising out of the development or construction of the common elements, or the management, operation, or control of a condominium project, more than 3 years from the transitional control date or 2 years from the date the cause of action accrues, whichever occurs later.
14. Preservation of rights. The election of a co-owner or the association to submit a dispute, claim, or grievance to arbitration shall preclude that party from litigating the dispute, claim, or grievance in the courts. However, except as otherwise stated in this article, no interested party shall be precluded from petitioning the courts to resolve a dispute, claim, or grievance in the absence of an election to arbitrate.

#### ARTICLE XI AMENDMENTS

1. The condominium documents may be amended without the consent of co-owners or mortgagees if the amendment does not materially alter or change the rights of a co-owner or mortgagee and if the condominium documents contain a reservation of the right to amend for that purpose to the developer or the association of co-owners. An amendment that does not materially change the rights of a co-owner or mortgagee includes, but is not limited to, a modification of the types and sizes of unsold condominium Units and their appurtenant limited common elements. An amendment that does not materially change the rights of a mortgagee further includes, but is not limited to, any change in the condominium documents that, in the written opinion of an appropriately licensed real estate appraiser, does not detrimentally change the value of any unit affected by the change.

2. Except as provided in this section, the master deed, bylaws, and condominium subdivision plan may be amended, even if the amendment will materially alter or change the rights of the co-owners or mortgagees, with the consent of not less than 2/3 of the votes of the co-owners and mortgagees. A mortgagee shall have one (1) vote for each mortgage held. The 2/3 majority required in this section may not be increased by the terms of the condominium documents, and a provision in any condominium documents that requires the consent of a greater proportion of co-owners or mortgagees for the purposes described in this subsection is void and is superseded by this subsection. Mortgagees are not required to appear at any meeting of co-owners except that their approval shall be solicited through written ballots. Any mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the change.
3. The developer may reserve, in the condominium documents, the right to amend materially the condominium documents to achieve specified purposes, except a purpose provided for in subsection 4. Reserved rights may not be amended except by or with the consent of the developer. If a proper reservation is made, the condominium documents may be amended to achieve the specified purposes, without the consent of co-owners or mortgagees.
4. The method or formula used to determine the percentage of value of Units in the project for other than voting purposes, and any provisions relating to the ability or terms under which a co-owner may rent a unit, may not be modified without the consent of each affected co-owner and mortgagee. A co-owner's condominium unit dimensions or appurtenant limited common elements may not be modified without the co-owner's consent.
5. Co-owners shall be notified of proposed amendments, under this section, not less than ten (10) days before the amendment is recorded.
6. A person causing or requesting an amendment to the condominium documents shall be responsible for costs and expenses of the amendment, except for amendments based upon a vote of a prescribed majority of co-owners and mortgagees or based upon the advisory committee's decision, the costs of which are expenses of administration.
7. A master deed amendment, including the consolidating master deed, dealing with the addition, withdrawal, or modification of units or other physical characteristics of the project shall comply with the standards prescribed in Section 66 of the Condominium Act for preparation of an original condominium subdivision plan for the project.
8. For purposes of this section, the affirmative vote of a 2/3 of co-owners is considered 2/3 of all co-owners entitled to vote as of the record date for such votes.
9. An amendment to the master deed or other recorded condominium document shall not be

effective until the amendment is recorded.

10. A copy of the recorded amendment shall be delivered to each co-owner of the project.

ARTICLE XII  
AMENDMENTS WHERE VOTES OF MORTGAGEES ARE REQUIRED

1. To the extent this act or the condominium documents require a vote of mortgagees of Units on amendment of the condominium documents, the procedure described in this section applies.
2. The date on which the proposed amendment is approved by the requisite majority of co-owners is considered the "Control Date".
3. Only those mortgagees who hold a duly recorded mortgage or a duly recorded assignment of a mortgage against one (1) or more condominium Units in the condominium project on the control date is entitled to vote on the amendment. Each mortgagee entitled to vote shall have one (1) vote for each condominium unit in the project that is subject to its mortgage or mortgages, without regard to how many mortgages the mortgagee may hold on a particular condominium unit.
4. The association of co-owners shall give a notice to each mortgagee entitled to vote containing all of the following:
  - (a) A copy of the amendment or amendments as passed by the co-owners.
  - (b) A statement of the date that the amendment was approved by the requisite majority of co-owners.
  - (c) An envelope addressed to the entity authorized by the board of directors for tabulating mortgagee votes.
  - (d) A statement containing language in substantially the form described in subsection (5).
  - (e) A ballot providing spaces for approving or rejecting the amendment and a space for the signature of the mortgagee or an officer of the mortgagee.
  - (f) A statement of the number of condominium Units subject to the mortgage or mortgages of the mortgagee.
  - (g) The date by which the mortgagee must return its ballot.

5. The notice provided by subsection 4, shall contain a statement in substantially the following form:

"A review of the association records reveals that you are the holder of one (1) or more mortgages recorded against title to one (1) or more Units in the Pine Arbor Condominium. The co-owners of the condominium adopted the attached amendment to the condominium documents on the Control Date. Pursuant to the terms of the condominium documents and/or the Michigan Condominium Act, you are entitled to vote on the amendment. You have one (1) vote for each unit that is subject to your mortgage or mortgages.

The amendment will be considered approved by mortgagees if it is approved by 66-2/3% of the mortgagees. In order to vote, you must indicate your approval or rejection on the enclosed ballot, sign it, and return it not later than ninety (90) days from the Control Date. Failure to timely return a ballot will constitute a vote for approval. If you oppose the amendment, you must vote against it."

6. The association of co-owners shall mail the notice required by subsection 4. to the mortgagee at the address provided in the mortgage or assignment for notices by certified mail, return receipt requested, postmarked within thirty (30) days after file Control Date.
7. The amendment is considered to be approved by the mortgagees if it is approved by 66-2/3% of the mortgagees whose ballots are received, or are considered to be received, in accordance with the Condominium Act. Section 90(2), by the entity authorized by the board of directors to tabulate mortgagee votes not later than one hundred (100) days after the Control Date. In determining the one hundred (100) days, the Control Date itself shall not be counted but the one-hundredth day shall be included unless the one-hundredth day is a Saturday, Sunday, legal holiday, or holiday on which the United States postal service does not regularly deliver mail, in which case the last day of the one hundred (100) days shall be the next day that is not a Saturday, Sunday, legal holiday, or holiday on which the United States postal service does not regularly deliver mail.
8. The association of co-owners shall maintain a copy of the notice, proofs of mailing of the notice, and the ballots returned by mortgagees for a period of two (2) years after the Control Date.
9. Notwithstanding any provision of the condominium documents to the contrary, mortgagees are entitled to vote on amendments to the condominium documents only under the following circumstances:

- (a) Termination of the condominium project.

- (b) A change in the method or formula used to determine the percentage of value assigned to a unit subject to the mortgagee's mortgage.
- (c) A reallocation of responsibility for maintenance, repair, replacement, or decoration for a condominium unit, its appurtenant limited common elements, or the general common elements from the association of co-owners to the condominium unit subject to the mortgagee's mortgage.
- (d) Elimination of a requirement for the association of co-owners to maintain insurance on the project as a whole or a condominium unit subject to the mortgagee's mortgage or reallocation of responsibility for obtaining or maintaining, or both, insurance from the association of co-owners to the condominium unit subject to the mortgagee's mortgage.
- (e) The modification or elimination of an easement benefiting the condominium unit subject to the mortgagee's mortgage.
- (f) The partial or complete modification, imposition, or removal of leasing restrictions for condominium Units in the condominium project.

ARTICLE XIII  
MISCELLANEOUS PROVISIONS

1. Severability. If any of the provisions of these bylaws or any condominium document are held to be partially or wholly invalid or unenforceable for any reason, that holding shall not affect, alter or impair any of the other provisions of these documents or the remaining part of any provision that is held to be partially invalid or unenforceable. In such an event, the documents shall be construed as if the invalid or unenforceable provisions were omitted.
2. Notices. Notices provided for in the Michigan Condominium Act, the master deed, and the bylaws shall be in writing and shall be addressed to the association at 19901 Dix Toledo Highway Brownstown, Michigan 48183, or to the co-owner at the address stated in the deed of conveyance, or to either party at a subsequently designated address. The association may designate a different address by notifying all co-owners in writing. Any co-owner may designate a different address by notifying the association in writing.  
  
Notices shall be deemed delivered when they are sent by U.S. mail with the postage prepaid or when they are delivered in person.
3. Amendments. These bylaws may be amended or repealed only in the manner stated in Article XII of the master deed.

Witnesses:

*Paul Leone*

*Karen Dayton*  
KAREN DAYTON

Pine Arbor Condominium Association

BY:

*[Signature]*

John Policicchio  
MEMBER

Pine Arbor Condominium L.L.C.,  
a Michigan limited liability company

BY:

*[Signature]*

Michael Schuyler  
MEMBER

Pine Arbor Condominium L.L.C.  
A Michigan limited liability company

STATE OF MICHIGAN )

)SS.

WAYNE COUNTY

**Karen Dayton**  
Notary Public, Wayne County, MI  
Commission Expires 12-13-2008

Acknowledged before me in Wayne County, Michigan, on the 17<sup>th</sup> day of March, 2005, by Pine Arbor Condominium, L.L.C., a Michigan limited liability company, by John Policicchio its Member and Michael Schuyler its Member, with full authority of Limited Liability Company.