

Master Deed - Appendix A - Bylaws

Category: Master Deed

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EXHIBIT A

HARTLAND ESTATES ASSOCIATION

BYLAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

Hartland Estates, a residential Site Condominium Planned Unit Development or

Condominium Project located in the Township of Hartland, Livingston County, Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association," organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Michigan law and the Bylaws provided for under the Michigan Non-profit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Coowner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers

forth in the aforesaid Condominium Documents.

ARTICLE II

ASSESSMENTS

All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the Condominium Documents and the law shall be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

Section 1. Assessments for Common Elements. All costs incurred by the Association in

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and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of the applicable laws of the State of Michigan.

Assessments shall be determined in

Section 2. Determination of Assessments.

accordance with the following provisions:

Budgets. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the project operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by annual payments as set forth in

Section 3 below rather than by special assessments. At a minimum, the reserve fund shall

be equal to 10% of the Association's current annual budget on a noncumulative basis.

Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding \$3,500 annually for the entire Condominium Project, or (4) that an event of emergency exists, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 4 The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

Special Assessments. Special assessments, in addition to those required in subparagraph (a) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements involving costs exceeding \$3,500 for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof, or (3) assessments for any other appropriate purpose not

not including those assessments referred to in subparagraph (a) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than 50% of all Co-owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members

Section 3. Appertienment ef Assessments and Penalty for Default. Unless otherwise

provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in equal

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proportions. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by Co-owners in annual payments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid the Association in full on or before the due date for such payment.

Each installment in default for 10 or more days shall bear interest from the initial due date hereof at the rate of 7% per annum until each installment is paid full. The Association may.

ursuant to Article XIX. Section 4 hereof. levy fines for the late payment in addition to suci

purchaser from any Co-owner including Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Each Co-owner, whether 1 or more persons, shall be, and remain, personally liable for the payment of all assessments

on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including actual attorneys' fees or if a court of competent jurisdiction disallows actual attorney fees, reasonable attorneys' fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 4.

Waiver of Use or Abandonment of Unit. No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

Section 5. Enforcement.

Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment and/or by foreclosure of the statutory lien that secures payment of assessments. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. All of these remedies shall be cumulative and not alternative or mutually exclusive and shall not preclude the Association from exercising such other remedies as may be available at law or in equity.

Foreclosure Proceedings. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the

assessments) is or are delinquent and to receive,

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hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law and/or as herein provided Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit he/she was notified of the provisions of this subparagraph and that he/she voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

(c) Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Coowner(s) at his/her or their address last known to the Association (as shall be the proper address hereafter for all notification required hereunder to Co-owners unless otherwise specified) (of which it shall be each Co-owner's obligation to keep the Association informed), a written notice that one or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within 10 days after the date of mailing:

Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in Livingston County prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the 10-day period, the Association may take such remedial action as may be available to it hereunder. In the event the Association elects to foreclose the lien by or under Michigan law.

advertisement, the Association shall so notify the delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

The expenses incurred in collecting unpaid assessments, including of course limited to statutory fees, interest, costs, actual attorney's fees, and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit.

Notwithstanding any other provisions of the

Section 6. Liability of Mortgagee.

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

Section 7.

Developer's Responsibility for Assessments. The Developer of the Condominium, although a member of the Association, shall not be responsible at any time for payment of the annual Association assessment. Developer, however, shall at all times pay all expenses of maintaining the Units that it owns, including any buildings and other improvement.

located thereon, together with a proportionate share of all current expenses of administratior

within the Units that are not owned by Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses shall be based upon the ratio of all Units

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owned by the Developer at the time the expense is incurred to the total number of Units then in the Project. In no event shall Developer be responsible for payment of any assessments for deferred maintenance, reserves for replacement, for capital improvements or other special assessments.

Further, each Co-owner who is not the Developer and the Association hereby indemnify and hold Developer harmless of and from and agree to defend Developer at no cost to Developer, through counsel of Developer's choosing or acceptable to Developer, against all claims, damages, costs and actual attorneys' fees arising out of or on account of the Project and/or the Condominium Documents and/or Developer acts and/or omissions pursuant thereto or on account thereof. This provision shall survive any termination of the Project or changes to said Documents.

Section 8.

Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with applicable

Section 2. Personal Property Tax Assessment of Association Property. The Association

shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 11. Mechanic's Lien. A mechanic's lien otherwise arising under Michigan law,

shall be subject to the laws of the State of Michigan pertaining to condominiums.

Section 11. Statement as to Unpaid Assessments. The purchaser of any Unit may request

a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exists, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least 5 days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the laws of the State of Michigan. Unless otherwise provided, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE III**ARBITRATION****Section 1: Scope and Election. Disputes, claims or grievances arising out of or relating**

to the interpretation or the application of the Condominium Documents, any disputes, claims or grievances arising among or between the Co-owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice • to the Association, shall be submitted to arbitration and the parties thereto shall accept the arbitrator's

decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in the real estate involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration. The indemnity provision in Article II, Section above applies to disputes, claims or grievances hereunder against Developer

LEER 2295 PAGE 809**Section 2. Ludicial Relief. In the absence of the election and written consent of the**

arties pursuant to Section 1 above, no Co-owner or the Association shall be precluded from etitioning the courts to resolve any such disputes, claims or grievances except to the exten precluded by the indemnity provision in Article II, Section 7, above.

Section 3. Election of Remedies. Such election and written consent by Co-owners or the

Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

ARTICLE IV**INSURANCE****Section 1. Extent of Coverage. The Association shall, to the extent appropriate given the**

lature of the Common Elements of the Project, carry fire and extended coverage, vandalism an nalcious mischief and liability insurance, and workmen's compensation insurance, if applicable pertinent to the ownership, use and maintenance of the General Common Elements of the Condominium Project and such insurance shall be carried and administered in accordance with the following provisions:

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

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

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

Proceeds of Insurance Policies. Proceeds of all insurance policies owned Association shall be received by the Association and distributed to the Association, and the Co-owners and their mortgagees, as their interests may appear;

provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result or any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Project unless all of the institutional holders of first mortgages on Units in the Project have given their prior written approval.

Section 2.

Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his/her true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance

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LIBER2295 PABED 8 10 premiums therefor, to collect proceeds and to distribute the same to the Association, the Coowners and respective mortgagees, as their interests may appear, subject always to the Condominium Documents, to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Each Co-owner shall be responsible for

Section 3.

Responsibilities of Co-owners.

obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to his/her building and all other improvements constructed or to be constructed within the perimeter of his/her Condominium Unit, together with all Limited Common Elements appurtenant to his/her Unit, whether located within or outside the perimeter of his/her Unit, and for his/her personal property located herein or elsewhere on the Condominium Project. All such insurance shall be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. "In the event of the failure of a Co-owner to obtain such insurance, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefor shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments are collected in accordance with Article II. Each Co-owner also shall be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of his/her Condominium Unit or within the building located thereon and on the Limited Common Elements appurtenant thereto, regardless of where located. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so.

Section 4. Waiver of Right of Subrogation. The Association and all Co-owners shall use

their best efforts to cause all property and liability insurance carried by the Association or any Co-owner to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

ARTICLE V**RECONSTRUCTION OR REPAIR**

section 1 Association Responsibility for Repair. Except as otherwise provided in

Section 3 above and in the Master Deed, the Association shall be responsible for the

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

building of other improve Rents constricted d hin the perimeter of a Unit adversely affect the appearance of the Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof shall proceed

with replacement of the damaged property without delay, and shall complete such replacement within 6 months after the date of the occurrence which caused damage to the property.

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Section 3. Eminent Domain. The laws pertaining to condominiums in the State of Michigan

and the following provisions shall control upon any taking by eminent domain:

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

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

In the event the Continuation of Condominium After Taking.

Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article! of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner or other person having any interest whatever in the Project, as mortgagee or otherwise.

located within the perimeter there, in the Condominium, or any portion thereof, or any portion of the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of first mortgage lien on any of the Units in the Condominium.

Section 4. Priority of Mortgage Interests. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit Owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI**RESTRICTIONS**

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

Section 1. Residential Use. No Unit in the Condominium shall be used for other than

residential use or as a residence. here will be used in a manner consistent with the use of Association for and the establishment by it of a greenbelt surrounding the entire Project and/or a

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coherent series of green areas or provision for a green area which will either be a part of or abutting the perimeter units (those units located on the north, south, east and west property lines of the development) or the units implicated and in or on which no permanent structure can be built by a Co-owner.

Section 2. Leasing and Rental.

Right to Lease. A Co-owner may lease his Unit for the same purposes se

specified in subsection (b) below. With the exception of a lender in possession of a Unit following default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium and no tenant shall be permitted to occupy except under a lease the initial term of which is at least 1 year unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in its discretion.

Leasing Procedures. The leasing of Units in the Project shall conform to the following provisions:

A Co-owner, including the Developer, desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least 10 days before presenting a lease form to a potential lessee of the Unit and, at the same time shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents.

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

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

- (i) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant.
- (ii) The Co-owner shall have 15 days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred
- (iii) If after 15 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or nonco-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or nonco-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium Project.

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When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association.

deductions shall not constitute a breach of the rental agreement or lease by the tenant.

Section 3. Architectural Control. The Developer of the Project intends that there shall be

residential dwellings of a certain architectural style and quality and certain other improvements within the boundaries the Project and of each of the Condominium Units in the Project in conjunction with the sale of such Units to individual Co-owners. No one other than Developer shall be entitled to alter the nature or appearance of any improvements constructed within the boundaries of a Condominium Unit without the prior written consent of the Board of Directors of the Association, which consent may be withheld by the Board in its absolute discretion.

Developer's prior written approval of proposed plans is required for any construction, additional buildings or structures, roads, sidewalks or other improvements to be built or erected on the Premises and any changes to existing buildings or structures prior to the construction or erection thereof; however, such approval shall not be unreasonably withheld. Any such plans for construction or alteration referred to above shall include a plan for restoration of the premises after construction or alteration to a condition satisfactory to the Association and/or the Construction of any building must also receive any necessary Developer, as the case may be.

approvals from the Township of Hartland. Developer shall have the right to refuse to approve any such plan or specifications, or grading or landscaping plan which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to construct the same, and the degree of harmony thereof with the Condominium as a whole. The purpose of this section is to assure the continued maintenance of the Condominium as a premiere residential development consisting of said architectural style and quality, and shall be binding upon both the Association and upon all Co-owners. Developer's rights under this Article VI, Section 3 may, in Developer's discretion, be assigned to the Association or a Successor Developer. Developer may construct any improvements upon the Condominium Premises that it may, in its sole discretion, elect to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium Documents.

Section 4. Changes in Common Elements. Except as provided in Article VI, Section 3

above with respect to the Developer, no Co-owner shall make changes in any of the General Common Elements without the express written approval of the Association.

Section 2. Activities. No improper, unlawful or offensive activity shall be carried on in

any Unit or upon the General Common Elements or shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No Co-owner shall do or permit anything to be done or keep or permit to be kept on his Unit or on the Common

such condition even if approved.

Section 6. Aesthetics. The General Common elements shall not be used for storage of

supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. In general, no activity shall be carried on nor

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condition maintained by a Co-owner in his building, elsewhere on his Unit or upon the General Common Elements which is detrimental to the appearance of the Condominium.

Section 7. 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 laws in the State of Michigan pertaining to condominiums, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors, or its successors, prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners.

Section 8. Landscaping. No Co-owner shall perform any landscaping or plant any trees,

shrubs or flowers or place any ornamental materials upon the Common Elements without the prior written approval of the Association.

Section 2. Common Element Maintenance. Landscaped areas and roads shall not be

obstructed nor shall they be used for purposes other than for which they are reasonably and obviously intended unless otherwise provided in the Condominium Documents..

Each Co-owner shall maintain his Unit and the

Section 10. Co-owner Maintenance.

improvements thereon for which he/she has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements. 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/her, or his/her agents, wards, family members, employees or invitees, unless such damages or costs are covered by insurance carried by the Association, in which case there shall be no such responsibility, unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount. Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 13. Reserved Rights of Developer.

(a) Prior Approval by Developer. During the Construction and Sales Period, no buildings, fences, walls, retaining walls, drives, walks or other structures or improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alteration to any structure be made, including in color or design, nor shall any hedges, trees or substantial plantings or landscaping modifications be made, until plans and specifications, acceptable to the Developer, showing the nature, kind, shape, height, materials, color, scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by Developer, and a copy of said plans and specifications, as finally approved, lodged permanently with Developer.

Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Construction and

Sales Period of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, Developer shall have the right throughout the entire Construction and Sales Period 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

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enable development and sale of the entire Project by Developer. Developer shall restore the areas so utilized to habitable status upon termination of use.

Enforcement of Bylaws. The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a premiere residential development 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 Developer 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. Regardless of outcome unless deemed frivolous, Developer instituted enforcement proceedings pursuant to this provision shall be at the ultimate expense of those against whom the Developer proceeds including all actual attorney fees incurred.

ARTICLE VII**MORTGAGES****Section 1. Netice te Association. Any Co-owner who mortgages his Unit shall notify the**

The Association may, at the written Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Units" request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of Project Then noiaion of any deathe holde porams or the ecorations or a in owner of such Unit that is not cured within 60 days. Co-owners hereby indemnify and hold the Association harmless of and from any claims based upon action taken or words spoken or published pursuant to this provision and all actual costs incurred in defending or avoiding or reasonably resolving same.

Section 2. Insurance. The Association shall notify each mortgagee appearing in said

book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

Section 3. Notification ef Meetings. Upon request submitted to the Association, any

institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate

ARTICLE VIII**VOTING****Section 1. Vote. Except as limited in these Bylaws, each Co-owner shall be entitled to**

one vote for each Condominium Unit owned.

Section 2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Article XI, Section 2 of 12

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these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting held in accordance with Section 2 of Article IX. The vote of each Coowner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII or by a proxy given by such individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting. At and after the First Annual Meeting the Developer shall be entitled to vote for each Unit which it owns.

Section 3. Designation of Voting Representative. Each Co-owner shall file a written

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

Section 4. Quorum. The presence in person or by proxy of 35% of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 5. Voting. Votes may be cast only in person or by a writing duly signed by the

designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 6. Majority. A majority, except where otherwise provided herein, shall consist

of more than 50% of those qualified to vote and present in person or by proxy at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

ARTICLE IX**MEETINGS****Section 1. Place of Meeting. Meetings of the Association shall be held at such suitable**

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

Section 2. First Annual Meeting. The First Annual Meeting may be convened only by

Developer and may be called at any time after more than 50% of the Units in Hartland Estates have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or

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equitable title to non-developer Co-owners of 75% in number of all Units that may be created or 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, whichever first occurs. Developer may call meetings of members for normative grue as the fist Aphral sping: The owner. hail one be a per in A raist eig The datin and sic of give mo can co.

Section 3. Annual Meetings. Annual meetings of the Association shall be held on the

the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these Bylaws. The Coowners may also transact at annual meetings such other business of the Association as may properly come before them.

meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by 1/3 of the Co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary, or other Association

officer in the Secretary's absence, to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Co-owner of record, at least 10 days but not more than 60 days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these Bylaws and/or last known to the Association shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

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

Section 1. Order ef Business. The order of business at all meetings of the members shall

be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspector of elections (at annual meetings or special meetings held for purpose of election of Directors or officers); (g) election of Directors BELLE (at annual meeting or special meetings held for such purpose; (b) unfinished business; and (i) For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary and Treasurer.

Section . Action Without Meeting. Any action which may be taken at a meeting of the

members, except for the election or removal of Directors, may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided ir Section S for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage oi approvals necessary to approve the action; and (c) the time by which ballots must be received ir order to be counted. The form of written ballot shall afford an opportunity to specify a choice 14

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between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by witten ballot shall be constituted by receipt within the time period specified in the solicitation of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (il) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 2. Censent ef Absentees. The transactions at any meeting of members, either

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

Section 11. Minutes, Presumption ef Notice.

Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE X**ADVISORY COMMITTEE**

Within 1 year after conveyance of legal or equitable title to the first Unit in the Project to a purchaser or within 120 days after conveyance to purchasers of 1/3 of the total number of Units that may be created, whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least 3 non-developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that if more than 50% of the non-developer Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the Board of Directors and the non-developer Co-owners and to aid the transition of control of the Association from the Developer to purchaser Co-owners. The Advisory Committee shall cease to exist automatically when the non-developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XI**BOARD OF DIRECTORS**

The Board of Directors shall be

Section 2. Election ef Directors.

Eirst Board of Directors. The first Board of Directors shall be composed of 3 persons and such first Board of Directors or its successors as selected by the Developer shall manage the affairs of the Association until the appointment of the first

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non-developer Co-owners to the Board. Elections for non-developer Co-owner Directors shall be held as provided in subsections (b) and (c) below.

Appointment of Non-developer Co-owners to Board Prior to First Annual Meeting. Not later than 120 days after conveyance of legal or equitable title to nondeveloper Co-owners of 25% of the Units that may be created, 1 of the 3 Directors shall be selected by non-developer Co-owners.

be elated has ben develed, the Developer shai nothy the non-developer Co-out es and request that they hold a meeting and elect the required Director. Upon certification to the Developer by the Co-owners of the Director so elected, the Developer shall then immediately appoint such Director to the Board to serve until the First Annual Meeting unless he/she is removed pursuant to Section 7 of this Article or he/she resigns or becomes incapacitated

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

Not later than 120 days after conveyance of legal or equitable title

at least 1 Director as long as the Units that remain to be created and sold equal at least 10% of all Units that may be created in the Project. Whenever the 75% conveyance level is achieved, a meeting of Co-owners shall be promptly conveyed to effectuate this provision, even if the First Annual Meeting has already occurred.

Regardless of the percentage of Units which have been conveyed, upon the expiration of 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, the non-developer Coowners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect a number of members of the Board of Directors 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 shall not reduce, the minimum subsection and designation rights otherwise established of Diators of this subsection does not require a change in the size of the Board (iii) If the calculation of the percentage of members of the Board of Directors that the non-developer Co-owners have the right to elect unde subsection (ii), or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-developer Coowners under subsection (b) results in a right of non-developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-developer Co-owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate 1 member as provided in subsection (i).

(iv) At the First Annual Meeting 2 Directors shall be elected for a term of 2 years and 1 Director shall be elected for a term of 1 year. At such meeting all nominees shall stand for election as 1 slate and the 2 persons receiving the highest

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number of votes shall be elected for a term of 2 years and 1 person receiving the next highest number of votes shall be elected for a term of 1 year. At each annual meeting held thereafter, either 1 or 2 Directors shall be elected depending upon the number of Directors whose terms expire. After the First Annual Meeting, the term of office (except for 1 of the Directors elected at the First Annual Meeting) of each Director shall be 2 years. The Directors shall hold office until their successors have been elected and hold their first meeting.

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

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties

necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners.

Section 4. Other Duties. In addition to the foregoing duties imposed by these Bylaws or

any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:

(a) To manage and administer the affairs of and to maintain the Condominium Project and the Common Elements thereof.

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

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

(d) To rebuild improvements after casualty.

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

To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property, including any Unit in the Condominium and easements, rights-of-way and licenses, on behalf of the Association in furtherance of any of the purposes of the Association.

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

To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or

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responsibilities which are not by law or the Condominium Documents required to be performed by the Board.

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

Section 5. Management Agent. The Board of Directors may employ for the Association

a professional management agent, which may include the Developer or any person or entity related thereto, at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer in which the maximum term is greater than 3 years or which is not terminable by the Association upon 90 days' written notice thereof to the other party and no such contract shall violate the provisions of the laws of the State of Michigan pertaining to condominiums.

Section . Vacancies. Vacancies in the Board of Directors which occur after the

Transitional Control Date caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any Director whom it is permitted in the first instance to designate.

Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. Vacancies among non-developer Co-owner elected Directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Coowners and shall be filled in the manner specified in Section 2(b) of this Article.

Section 7. Removal. At any regular or special meeting of the Association duly called

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

Section 8. First Meeting. The first meeting of a newly elected Board of Directors shall

at which such Directors were elected at which such Directors were on ats, and easie had be neery tore at they needed directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

section 2. Regular Meetings. Regular meetings of the Board of Directors may be held at

such times and places as shall be determined from time to time by a majority of the Directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to

each Director, personally, by mail, telephone or telegraph at least 10 days prior to the date named for such meeting.

Section II. Special Meetings. Special meetings of the Board of Directors may be called

by the President on 3 days' notice to each Director, given personally, by mail, telephone or

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telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two Directors.

section I Waiver et Notice. Betore or at any meeting of the Board of Directors, any

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

Section 12. Adjournment. At all meetings of the Board of Directors, a majority of the

he Directors present at a meeting at which a gorin as present hal be the a or the Board of at any meeting of the Board of Directors, less than a quorum is present, the majority of those present may adjourn the meeting to a subsequent time upon 24 hours' prior written notice delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. Signing and concurring in the minutes of a meeting shall constitute the presence of such Director for purposes of determining a quorum.

Section 13. Eirst Board of Direstors. The actions of the first Board of Directors of the

Association or any successors thereto selected or elected before the Transitional Control Date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium Documents.

Section 14. Eidility Bonds. The Board of Directors shall require that all officers and

employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of the Association.

ARTICLE XII**OFFICERS**

as in their judgment may be necessary. Any two offices except that of President and Vice President may be held by one person.

President. The President shall be the chief executive officer of the Association. He/She shall preside at all meetings of the Association and of the Board of

Association.

Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall

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also perform such other duties as shall from time to time be imposed upon him/her by the Board of Directors.

Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association;

if any, and of such books and papers as the Board of Directors may direct, and he shall, in general, perform all duties incident to the office of the Secretary.

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

Section 2. Election. The officers of the Association shall be elected annually by the

Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of

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

Section 4. Duties. The officers shall have such other duties, powers and responsibilities

as shall, from time to time, be authorized by the Board of Directors.

ARTICLE XIII**SEAL**

The Association may have a seal. If the Board determines that the Association shall have a seal, then it shall have inscribed thereon the name of the Association, the words "corporate seal," and "Michigan."

ARTICLE XIV**FINANCE****Section 1. Records. The Association shall keep detailed books of account showing all**

expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual financial statement within 90 days following the end of the Association's fiscal year upon written request. The costs of any such audit

and any accounting expenses shall be expenses of the Association.

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Section 2. Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 3. Bank. Funds of the Association shall be initially deposited in such bank or

deposit certificates of such bank or savings association as are insured by an agency of the United States Government and may also be invested in interest-bearing obligations of the United States Government.

ARTICLE XY**INDEMNIFICATION OF OFFICERS AND DIRECTORS**

Every Director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he/she may be a party or in which he/she may become involved by reason of his/her being or having been a Director or officer of the Association, whether or not he/she is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his/her duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the Director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled. At least 10 days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof. Further, the Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and Directors of the Association in such amounts as it shall deem appropriate.

ARTICLE XVI**AMENDMENTS**

Section 1. Preproposal. Amendments to these Bylaws may be proposed by the Board of

Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by 1/3 or more of the Co-owners by instrument in writing signed by them.

Section 2. Meeting.

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

Section 3. Voting. These Bylaws may be amended by the Co-owners at any regular

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

Section 4. By Developer. Pursuant to Section 90(1) of the Act, the Developer hereby

reserves the right, on behalf of itself and on behalf of the Association, to amend these Bylaws without approval of any Co-owner or mortgagee unless the amendment would materially alter or

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change the rights of a Co-owner or Mortgagee, in which event mortgagee consent shall be required as provided in Section 3 above.

Section 2. When effective. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Livingston County Register of Deeds.

Section 6. Binding. A copy of each amendment to the Bylaws shall be furnished to

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

ARTICLE XVII**COMPLIANCE****ARTICLE XVIII****DEFINITIONS**

All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or with which these Bylaws were recorded and to which they apply or as set forth in the laws of the State of Michigan pertaining to condominiums.

ARTICLE XIX**REMEDIES FOR DEFAULT**

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

Section 1. Legal Action. Failure to comply with any of the terms or provisions of the

Condon same, an action to halber sums due for dues, assessments, inunctive relief, foreclosure on lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

Section 2. Recovery of Costs. In any proceeding arising because of an alleged default by

any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such actual attorneys' fees or, in the event such actual fees are deemed unrecoverable, such reasonable attorneys' fees and other fees including but not limited to statutory fees, as may be determined by the court, but in no event shall any Co-owner be entitled to recover such attorneys' fees.

Section 3. Removal and Abatement. The violation of any of the provisions of the

Condominium Documents shall also give the Association or its duly authorized agents the right,

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in addition to the rights set forth above, to enter upon the General Common Elements, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

Section 4. Assessment of Fines.

The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly

may be collected in the same manner as provided in Article II of these Bylaws. No fine shall be levied for the first violation. No fine shall exceed \$100 for the second violation, \$200 for the third violation or \$300 for any subsequent violation.

Section 5. Non-waiver of Right. The failure of the Association or of any Co-owner or of

the Developer enforce any right, provision covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner or of the Developer to enforce such right, provision, covenant or condition in the future.

Section é.

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

Section]. Enforcement ef Provisions ef Cendeminium Documents. A Co-owner may

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

ARTICLE XX**RIGHTS RESERVED TO DEVELOPER**

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or retained by Developer or its successors shall expire and terminate, if not sooner assigned to the Association, at the conclusion of the Construction and Sales Period as defined in Article III of the Master Deed. The immediately preceding sentence

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expiration and termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be

secesos and sies in the Master De er disine, in desires belt t easements, utility easements and all other easements created and reserved in such documents which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby.

ARTICLE XXI**SEVERABILITY**

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

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