

**FIRST AMENDED AND RESTATED  
ASSOCIATION BYLAWS  
OF  
SAWGRASS CONDOMINIUM OWNERS ASSOCIATION**

**1. CONDOMINIUM BYLAWS**

These Condominium Bylaws of SAWGRASS CONDOMINIUMS, a residential Condominium Project, located in Holland Township, Ottawa County, Michigan, as a part of the Master Deed for the Condominium Project recorded in the Office of the Register of Deeds of Ottawa County, Michigan, are hereby adopted in their entirety as the Bylaws of the SAWGRASS CONDOMINIUM OWNERS ASSOCIATION for the purpose of administering and governing the Condominium Project and its Association of Co-owners and for other purposes under Michigan Law.

**2. ASSOCIATION AND MEMBERSHIP**

2.1 The SAWGRASS CONDOMINIUM OWNERS ASSOCIATION ("the Association") shall be a nonprofit corporation, organized under the applicable laws of the State of Michigan. The Association shall be responsible for administering and governing the Condominium Project and its Association of Co-owners and for other purposes under Michigan Law.

**2.2 Membership.**

2.2.1 All Co-owners in the Condominium Project and all people using or entering upon or acquiring any interest in any Unit or the Common Elements of the Project shall be subject to the provisions of the Condominium Documents, including these Bylaws.

2.2.2 Each Co-owner shall be a Member of the Association and no other person or entity shall be entitled to membership.

2.2.3 The share of a Co-owner in the funds and assets of the Association cannot be assigned, placed or transferred in any manner except as an appurtenance to a Unit in the

Condominium.

### 3. MEETINGS AND QUORUM

3.1 Membership Meetings. Meetings of the Association will be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association will be conducted according to Robert's Rules of Order or, at the election of the Board of Directors, some other generally recognized manual of parliamentary procedure not otherwise in conflict with the Condominium Documents or the laws of the State of Michigan.

3.2 First Annual Meeting. The First Annual Meeting of the Association may be convened only by the Developer and shall be called no later than the earlier of:

(i) one hundred twenty (120) days after the conveyance of legal or equitable title to nondeveloper Co-owners of seventy five percent (75%) in number of all Units that may be created or

(ii) fifty-four (54) months after the first conveyance of legal or equitable title to a nondeveloper Co-owner of a Unit in the Project, whichever first occurs.

The Developer may call meetings of members for informational or other appropriate purposes prior to the First Annual Meeting and no such meeting will be construed as the First Annual Meeting. The date, time and place of such meetings given upon at least 10 days notice to each Co-owner. The phrase "Units that may be created" as used in this section and elsewhere in the Condominium Documents refers to the maximum number of Units which the Developer is permitted to include in the Condominium Project including the Expandable Area.

3.3 Annual Meetings of Members. After the First Annual Meeting, the Annual Meeting shall be held in each year on a date within fifteen (15) days of the anniversary date of the first Annual Meeting.

3.4 Delayed Annual Meeting of Members. If, for any reason, the Annual Meeting shall not be held on the day so designated, such meeting may be called and held as a special meeting with the same proceedings as at an Annual Meeting.

3.5 Special Meetings of Members. Special meetings of the members may be called by the President or by a majority of the directors of the Board of Directors, or by Co-owners having at least twenty percent (20%) of the votes entitled to notice of the meeting. Notice of special meetings shall be provided in the same manner as for Annual Meetings.



3.6 Organizational Meeting of Board. At the place of holding, and immediately following, the Annual Meeting of members, the Board of Directors shall, upon final adjournment of such Annual Meeting, convene for the purpose of electing officers and transacting any other business properly proposed; provided that the organizational meeting in any year may be held at a different time and place by consent of a majority of the Directors.

3.7 Regular Meetings of the Board. In addition to its organizational meeting, the Board may hold regular meetings at such other times and places as it shall from time to time determine. Notice of regular meetings shall be given to each director personally or by mail, telefax, telephone or telegraph at least ten days prior to the date of such meeting.

3.8 Special Meetings of Board. Special meetings of the Board may be called by the President or by any two directors by written notice to each director of the time, place and purpose of such meeting, at least three days prior to the date of such meeting.

3.9 Notice and Mailing. All written notices required to be given by these Bylaws shall state the authority pursuant to which they are issued (e.g., "by order of the President", or "by order of the Board of Directors", as the case may be) and shall bear the written, printed or typed signature of the Secretary. Each notice of a meeting shall state the time, date and place of the meeting. Notice shall be deemed duly served when it has been deposited in the United States mail, with postage fully prepaid, plainly addressed to the addressee at his, her or its last address appearing upon the membership records of the Corporation.

3.10 Waiver of Notice. Notice of the time, place and purpose of any meeting of the Members or of the Board of Directors may be waived in writing, either before or after such meeting has been held. Attendance at any meeting of the Board of Directors constitutes a waiver of notice, except where a Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

3.11 Quorum. A majority of the Association Members, Directors then in office, or the members of any committee, shall constitute a quorum for the transaction of business. Members or directors present or members represented by written proxy may continue to do business until adjournment, notwithstanding the withdrawal of enough persons to leave less than a quorum, and may adjourn the meeting for not more than thirty (30) days, without notice other than announcement of the time, place and date of the adjourned meeting.

3.12 Majority vote. Unless specifically stated to the contrary, the vote of the majority of a quorum shall be sufficient to approve an action.

#### 4. BOARD OF DIRECTORS

4.1 Number and Term. The business, property and affairs of the Association shall be managed

by a Board of Directors comprised of five (5) members or such number of members that may be determined by the Association Members at an Annual Meeting. The members of the Board of Directors elected at the first annual meeting shall serve staggered terms with the two directors receiving the highest number of votes serving 3 year terms, the two directors receiving the next highest number of votes serving 2 year terms and the director receiving the least number of votes serving a 1 year term. Thereafter, all directors will hold office for a term of 3 years and until a successor is elected and qualified, or until such director's resignation or removal. The composition of the Board of Directors and their terms of office may be modified by the Members at an annual meeting.

4.2 Nondeveloper Board Members. The following rules shall apply:

4.2.1 No later than 120 days after conveyance of legal or equitable title to nondeveloper co-owners of 25% of the Units that may be created, at least 1 Director and not less than 25% of the Board of Directors of the Association shall be elected by nondeveloper co-owners.

4.2.2 No later than 120 days after conveyance of legal or equitable title to nondeveloper co-owners of 50% of the Units that may be created, not less than 33-1/3% of the Board of Directors shall be elected by nondeveloper co-owners and the balance shall be appointed by the Developer.

4.2.3 No later than 120 days after conveyance of legal or equitable title to non developer co-owners of 75% of the Units that may be created, and before conveyance of 90% 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 1 Director as long as the Developer owns and offers for sale at least 10% of the Units in the project or as long as 10% of the Units remain that may be created.

4.3 Notwithstanding the above formula, 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 75% of the Units that may be created has not been conveyed, the nondeveloper co-owners have the right to elect a number of members of the Board of Directors of the Association 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.

4.4 If the calculation of the percentage of members of the Board that the nondeveloper co-owners have the right to elect 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.

4.5 In the event that the number directors elected by non-developer Co-Owners does not



comport with the minimum requirements of Section 4.2, the director designated by the Developer who has served the longest shall be disqualified and his or her successor shall be elected by non-developer Co-Owners for the remainder of the term.

4.6 Vacancies. Vacancies in the Board may be filled by the affirmative vote of a majority of the remaining Directors, even though less than a quorum of the Board is present. Each person elected to fill a vacancy shall remain a Director until a successor has been duly elected and qualified, which election shall be for a term equal to that remaining of the director whose death or resignation has created the vacancy.

4.7 Resignation and Removal. A Director may resign at any time and such resignation shall take effect upon receipt of written notice by the Association, or at such subsequent time as may be set forth in the notice of resignation. Any or all the directors may be removed, with or without cause, by the majority vote of a quorum of Co-owners.

4.8 Action by Written Consent. If and when all the Directors shall severally or collectively consent in writing to any action to be taken by the Association, either before or after the action, such action shall be as valid an Association action as though it had been authorized at a meeting of the Board.

4.9 Powers and Duties. In addition to the powers and duties imposed or permitted by law, by these Bylaws or by resolution of the members of the Association, the Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association.

4.10 Rules and Regulations. The Board of Directors may propose regulations respecting the use and enjoyment of the Condominium Units and Common Elements and such other rules and regulations as may be necessary for the maintenance and operation of the Condominium Project. All regulations imposed by the first and all successor Boards of Directors shall be binding upon all members unless and until duly amended as provided herein.

4.11 Compensation. Directors shall receive no compensation for their services as directors unless expressly provided for in resolutions duly adopted by not less than sixty percent (60%) of the votes of all Co-owners.

4.12 Proxy. No Director may vote by proxy.

## 5. **ADVISORY COMMITTEE**

5.1 Advisory Committee. An advisory committee of nondeveloper co-owners shall be established either 120 days after conveyance of legal or equitable title to nondeveloper co-owners of 1/3 of the Units that may be created, or 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. The members of the advisory

committee shall be appointed by the Developer. The advisory committee shall meet with the condominium project Board of Directors for the purpose of facilitating communication and aiding the transition of control to the Association. The advisory committee shall cease to exist when a majority of the Board of Directors of the Association is elected by the nondeveloper co-owners.

## 6. OFFICERS

6.1 The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice-President, Secretary and a Treasurer. The Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices except that of President and Vice President may be held by one person.

6.2 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.

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

6.4 The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as the President may in his or her discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

6.6 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. The Secretary shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct. The Secretary shall, in general, perform all duties incident to the office of the Secretary.

6.7 The Treasurer shall have the 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. The Treasurer 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.

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

## 7. SEAL

If so determined by the Board of Directors, the Corporation shall have a seal which shall have inscribed thereon the name of the corporation, the words "Corporate Seal", and "Michigan".

## 8. FINANCES

8.1 The finances of the Association shall be handled in accordance with these Bylaws.

8.2 The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

8.3 The funds of the Association shall be deposited in such bank as may be designated by the directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

8.4 The Board shall advise each Co-owner in writing of the applicable amount of common charges and shall furnish copies of a financial statement to all Co-owners at least once a year.

8.5 Reserve fund. The Association may maintain a reserve fund for major repairs and replacement of Common Elements according to Section 205 of the Act. The reserve fund shall amount to a minimum of 10% of the Association's current annual budget on a non-cumulative basis. The reserve fund shall be used only for major repair and replacement of Common Elements. The minimum standard required by this section may prove to be inadequate for a particular project. The Association should carefully analyze the Project to determine if a greater amount should be set aside, or if additional reserved funds should be established.

8.6 Association Books and Annual Audit. The Association shall maintain its books according to Section 57 of the Michigan Condominium Act (the "Act"). There shall be an annual audit and the cost of the annual audit shall be an expense of administration of the Association. The audit need not be certified. Co-owners may inspect the books of the Association at a reasonable time and place as provided by the Officers of the Association. The Association shall keep current copies of the recorded Master Deed and

Amendments thereto and all other Condominium Documents and make them available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of condominium Units.

## 9. INDEMNITY OF DIRECTORS AND OFFICERS

Directors and officers of the corporation, whether in office or not at the time of suit(s) or threats thereof, and the heirs, executors, administrators and personal representatives thereof are hereby indemnified against and saved harmless from any and all expense, including attorney fees, or liability for such expenses sustained or incurred by them or any of them in connection with any suit or suits, or threats thereof, which may be brought or made against such director or officer and involving or pertaining to official acts or duties, if in any such suit or suits no personal liability is finally established with respect to such director or officer on the basis of willful or wanton misconduct or gross negligence. No payment shall be made hereunder until after ten days notice thereof to the Co-owners.

## 10. MAINTENANCE OF GENERAL COMMON ELEMENTS

10.1 General Common Elements. The Association has the obligation to maintain the General Common Elements in a reasonably good and usable condition. The Association shall determine and enact such assessments as are necessary for maintenance upon the Project.

10.2 Utilities. Municipal water and sanitary sewer service will be provided by the Association to all Units. The expense of providing utilities will be a cost of administration of the Association.

## 11. ASSESSMENTS

11.1 Annual Budget and Determination of Monthly Assessments. The Board shall establish an annual budget for the Association in advance of the beginning of each fiscal year. The budget will include the estimated funds required to defray expenses of administration for which the Association has responsibility for the ensuing year. The Board may amend the budget and assessments in the event that additional revenue is needed to pay the expenses of administration and to maintain the reserve fund.

11.2 Special Assessments. Special assessments may be levied by the Board upon approval by not less than two-thirds (2/3) of the Members of the Association. Special assessments may be levied for capital improvements to common elements at a cost of more than \$2,000, to raise funds to purchase a Unit upon foreclosure, or for other extraordinary purpose for the general benefit of the Members.

11.3 Levy of Assessments. The assessments levied against the Units shall be apportioned among the units equally except as provided in the following subsection regarding the financial responsibility of the



Developer.

11.4 Financial Responsibility of the Developer. The Developer of the Condominium will be responsible for expenses of administration and for assessments as follows:

(a) Pre-Turnover Expenses. Until the Transitional Control Date, it will be the responsibility of the Developer to keep the books balanced, and to avoid any continuing deficit in operating expenses. The Developer will be responsible for the funding of any deficit of the Association existing as of the Transitional Control Date. Units owned by the Developer and for which an occupancy permit has been issued shall be subject to full regular assessments. Units owned by the Developer for which an occupancy permit has not been issued shall not be subject to regular assessments although the Developer may, in its discretion, elect to submit any Condominium Unit owned by the Developer to full regular assessments.

(b) Post-Turnover Expenses. After the Transitional Control Date has occurred, the Developer shall be responsible for the payment of the same maintenance assessment levied against other Units in the Project with completed residences and for all special assessments levied by the Association except as otherwise provided in the Condominium Documents.

(c) Exempted Expenses. Unless the Developer consents, the Developer will not be responsible for the payment of any portion of any general or special assessment which is levied for deferred maintenance, reserves for replacement or capital improvements; or special assessments to finance improvements to the general common elements, except with respect to Units owned by the Developer on which a completed residence is located. In no event will the Developer be liable for any assessment levied in whole or in part to finance litigation or other claims against the Developer, any cost of investigating and/or preparing such litigation or claim, or any similar related costs.

11.5 Collection of Assessments. Each Co-owner shall be obligated for the payment of all assessments levied with regard to his or her Unit during the time that the individual is the owner thereof, and no Co-owner is exempt from liability for contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements, or by the abandonment of a Unit. In the event of a default by any Co-owner in paying the assessed common charges, the Board may impose reasonable charges or charge interest at the legal rate on such assessment from the due date thereof. The lien shall be evidenced by the recording of a notice of lien with the Register of Deeds. A lien for unpaid assessments shall have priority over all other liens except tax liens in favor of any state or federal taxing authority and sums unpaid upon a mortgage of record recorded prior to the recording of any notice of lien by the Association. A lien for unpaid assessments shall not be effective until a notice of lien is recorded. The Association may enforce the collection thereof by suit at law for a money judgment or by foreclosure of the liens securing payment in the manner provided by the Michigan Condominium Act. Every lien to secure assessments includes a power of sale. In an action for foreclosure, a receiver may be appointed and reasonable rental

for the Unit may be collected from the Co-owner thereof or anyone claiming under him, and all expenses incurred in collection, including interest, costs and 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. Upon sale or conveyance of a Condominium Unit, all unpaid assessments against the Unit shall be paid out of the sale price by the seller of a Unit.

11.6 Reserve fund. The Association shall maintain a reserve fund for major repairs and replacement of common elements in accordance with Section 105 of the Act. The reserve fund shall be equal to at least 10% of the Association's current annual budget on a noncumulative basis. The Developer shall be responsible for any deficiency in the minimum amount existing at the time of the transitional control date. The minimum standard required by this subsection may be inadequate for a particular project. The Association of Co-owners should carefully analyze their condominium project to determine if a greater amount should be set aside or if additional reserve funds should be established for other purposes.

## 12. USE AND OCCUPANCY RESTRICTIONS

Every Unit within the Project shall be subject to the following building and use regulations:

12.1 Use. No Unit shall be used except for single family residential homes. No office or business use is permitted except home offices that do not require the presence of employees, customers, or persons other than the Co-owners of the Unit.

12.2 Alterations and Modifications. No Owner shall make alterations in exterior appearance or make structural modifications to a Unit (including interior walls in which there exist easements for support or utilities) or make changes in any of the Common Elements without the express written approval of the Board of Directors, including without limitation, exterior painting, antennas, satellite dishes, lights, aerials, awnings, doors, shutters, other exterior attachments, or modifications of landscaping or exterior vegetation. No Owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, or any other element that must be accessible to service the Common Elements 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 coverings 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 of it has been approved under these Bylaws, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out actions taken to gain necessary access.

12.3 Aesthetics. The Common Elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. In general, no activity shall be carried on nor condition maintained by an Owner, either in his Unit or upon the Common Elements, which is detrimental to the appearance of the Project.



12.4 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 Owners in the Project. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by the Developer, until the filing of the "as built" subdivision plan, and by the Board of Directors of the Association thereafter. Copies of such rules and regulations and amendments shall be furnished to all Owners.

12.5 Right of Access of Association. The Association or its authorized agents shall have access to each Unit and any Limited Common Elements appurtenant to the Unit from time to time, during reasonable hours, upon notice to the Owner as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant to the Unit 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 Owner to provide the Association means of access to his Unit and any Limited Common Elements appurtenant to it during all periods of absence, and in the event of the failure of such 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 Owner for any necessary damage to his Unit and any Limited Common Elements appurtenant to the Unit caused by such access or for repair or replacement of any doors or windows damaged in gaining such access.

12.6 Use of Common Elements. Landscaped areas, yards, driveways, and parking areas shall not be obstructed nor shall they be used for purposes other than that for which they are reasonably and obviously intended.

12.7 Maintenance. Each Owner shall maintain a Unit and any Limited Common Elements appurtenant to it for which the owner has maintenance responsibility in a safe, clean and sanitary condition. Each 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 Common Elements in any Unit which are appurtenant to or which may affect any other Unit. Each 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 guests, agents or invites, unless and to the extent that such damages or costs are covered by insurance carried by the Association. Any costs or damages to the Association may be assessed to and collected from the responsible Owner in the manner provided in these Bylaws.

12.8 Vehicles. Each Co-owner shall comply with the following:

12.8.1 No trailers, motor homes, all terrain vehicles, campers, recreational vehicles or watercraft may be placed within the Project unless within an enclosed garage.

12.8.2 Except when in the process of delivery, construction or repair within the

Condominium Project, no semi-trucks and/or trailers, step vans, or vehicles larger than a full size van or sport utility vehicle are permitted to be parked in the Project unless enclosed within a garage.

12.8.3 No more than two vehicles may be parked on a driveway. No vehicles may be parked excepted on a paved driveway or designated parking area.

12.8.4 No inoperable, dissembled, or unlicensed vehicles may be kept in the Project except within an enclosed garage.

12.9 Overhead Garage Doors. Overhead garage doors shall be shut when not being reasonably used for ingress and egress.

12.10 Signs. An entry sign may be placed at the entrance of the Project during the construction of the Development. A permanent identification sign shall be placed and maintained at the entrance of the Project as required by Holland Charter Township. No other sign shall be displayed to the public view on any lot except that one sign of not more than four square feet in total area pertaining to the sale or lease of a Unit may be placed inside a window of the Unit provided that such sign will be removed within 7 days following the consummation of the sale or lease of the Unit.

12.11 Animals. No animals shall be kept on or in any Unit except domesticated household pets such as dogs and cats. No pet may be kept on the Project that weighs more than 50 pounds. No pets may be kept or bred on any Unit for commercial purposes, and all pets shall have such care and restraint so as not to be obnoxious or offensive to the neighborhood on account of conduct, noise, odor, or unsanitary conditions. No savage or dangerous animals shall be kept on or in any Unit. No pets may be permitted to run loose. No more than two pets may be kept on or in any Unit. The owner of a pet shall be responsible for picking up waste in common areas and shall comply with Association rules pertaining to the use of dog runs and other matters.

12.12 Offensive Activities. No noxious or offensive trade or activity shall be carried on upon any Unit, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No burning of junk, refuse or leaves is permitted in the Project. No outdoor heating apparatus may be used except with smoke-free fuel.

12.13 Firearms. No firearm, bow or other weapon may be discharged within the Project.

12.14 Waste. No Unit shall be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste. All household refuse shall be stored within the garage and placed at the curb for pickup in a closed container. No refuse or refuse contained may be kept outside of the house or garage except on the day of pickup. The Board of Directors of the Association may specify waste hauling and recycling services and such services shall be the only services used by Co-owners. The costs of waste and recycling pickup shall be an expense of individual owners. The Board of Directors of the Association may,



in its discretion, contract for waste hauling and recycling services in which case Co-owners shall utilize only such service and the cost of such service will be a cost of administration of the Association.

12.15 Noise. Electronically amplified sound, musical instruments, tools and other items that produce noise shall not be operated in a manner that is unreasonably disturbing to owners and guests in the Project.

12.16 Garage Sales. No more than 1 garage sale may be held in any unit during any calendar year. No garage sale may exceed 2 consecutive days. Garage sales shall be held only during daylight hours.

12.17 Water and Sanitary Sewer Use. No person shall make excessive or unreasonable use of water or sanitary sewer systems.

### 13. INSURANCE

The Association shall carry insurance for fire and extended coverage, vandalism and malicious mischief, liability and, if applicable, worker's disability compensation, pertinent to the ownership, use and maintenance of the premises under the control of the Association. All premiums for insurance carried by the Association shall be an expense of the administration.

### 14. FAILURE TO MAINTAIN

If a Co-owner fails to comply with any of the provisions of the Condominium Documents, the Association may commence an action to recover sums due for damages, injunctive relief, foreclosure of lien if in default in payment of an assessment, or any combination thereof. The Association, if successful, may recover the costs of the proceeding and reasonable attorney fees as determined by the Court. The Board of Directors may also issue a schedule of fines against Co-owners for defaults, which shall be levied after notice and hearing thereon, along with the imposition of late charges for non payment of assessments. All costs, fines and Judgements shall constitute a lien against the subject Unit.

### 15. ASSESSMENT OF FINES

15.1 Assessment. The violation by an Owner, occupant or guest of any provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, or monetary fines against the involved Owner. Such Owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted through such Owner to the Condominium Premises.

15.2 Procedure. Upon any such violation being alleged by the Board, the following procedures will be followed:

15.2.1 Notice. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Owner on notice as to the violation, shall be sent first class mail, postage prepaid, or personally delivered to the representative of said Owner at the address as shown in the notice required to be filed with the Association pursuant to Article III, Section 9 of the Bylaws.

15.2.2 Opportunity to Defend. The offending Owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting but in no event shall the Owner be required to appear less than 10 days from the date of the notice.

15.2.3 Default. Failure to respond to the notice of violation constitutes a default.

15.2.4 Hearing and Decision. The Board shall, by majority vote of the Members of the Board of Directors then in office, decide whether a violation has occurred. The Board's decision is final.

15.3 Amounts. Upon violation of any of the provisions of the Condominium Documents and after default of the offending Owner or upon the decision of the Board as recited above, the following fines shall be levied:

15.3.1 First Violation. No fine shall be levied.

15.3.2 Second Violation. One Hundred Dollar (\$100.00) fine.

15.3.3 Third Violation. Two Hundred Dollar (\$200.00) fine.

15.3.4 Fourth Violation and Subsequent Violations. Five Hundred Dollar (\$500.00) fine.

15.4 Collection. The fines levied pursuant to Section 3 above shall be assessed against the Owner and shall be due and payable together with the regular Condominium assessment on the first of the next following month. Failure to pay the fine will subject the Owner to all remedies of the Association as set forth in the Condominium Documents.

## 16. AMENDMENTS



These Bylaws may be amended pursuant to the provisions of Section 10 of the Master Deed.

## 17. MORTGAGES

A Co-owner who mortgages a Unit shall notify the Association of the name and address of the mortgagee and the Association shall maintain such information in a book entitled "Mortgages of Units." The Association may notify the mortgagee of unpaid assessments due from the Co-owners of such Units. The Association shall furnish mortgagees with complete information on all insurance carried by the Association.

## 18. ARBITRATION

All disputes arising from the Condominium Documents shall be resolved by binding arbitration pursuant to the Michigan Revised Judicature Act. A judgment of a circuit court may be rendered upon the award so made, enforceable and irrevocable save upon such grounds as exist at law or in equity for the rescission or revocation of a contract. This agreement shall stand as a submission to arbitration of any controversy arising under the Condominium Documents. Arbitration shall be with the American Arbitration Association pursuant to the rules of the American Arbitration Association.

## 19. LEASES

19.1 Right to Lease. An Owner may lease a Unit for periods of not less than six (6) months. 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 its discretion.

19.2 Leasing Procedures. The leasing of Units shall conform to the following:

19.2.1 An Owner desiring to rent or lease a Unit shall disclose that fact in writing to the Association and shall supply the Association with a copy of the proposed lease and a completed application in a form required by the Board of Directors. The Board of Directors may require the payment of an application fee. The lease shall be deemed approved unless the lease is denied by the Board of Directors within 10 days following the submission of a complete application, fee, and proposed lease.

19.2.2 Tenants and non-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases and rental agreements shall so state.

19.2.3 If the Association determined that the tenant or non-owner occupant has failed to

comply with the conditions of the Condominium Documents, the Association may take the following action, among others:

19.2.4 The Association shall provide written notice to the Owner personally or by first class mail advising of the alleged violation by the tenant.

19.2.5 The Owner shall have 5 days after receipt of the notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

19.2.6 If after 5 days the Association believes that the alleged breach is not cured or may be repeated, it may institute an action for eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the Owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Owner liable for any damages to the Common Elements caused by the Owner or tenant in connection with the Unit or Condominium Project.

19.3 Assignment of Rents. When an Owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying an Owners Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant.

## 20. RECONSTRUCTION, REPAIR & CONDEMNATION

20.1 Determination to Reconstruct or Repair. If any part of the Condominium Premises shall be damaged, the determination of whether or not it shall be reconstructed or repaired, and the responsibility for reconstruction or repairs, shall be made in the following manner:

20.1.1 General Common Element. If the damaged property is a General Common Element, the damaged property shall be rebuilt or repaired unless all of the Owners and all of the institutional holders of mortgages on any Unit in the Project unanimously agree to the contrary.

20.1.2 Unit of Improvements On It. If the damaged property is a Unit, Limited Common Element appurtenant thereto, or any improvements thereon, the Owner of such Unit alone shall determine whether to rebuild or repair the damaged property, subject to the rights of any mortgagee or other person or entity having an interest in such property, and such Owner shall be responsible for any reconstruction or repair that he elects to make. The Owner shall in any event remove all debris and restore his Unit or its Limited Common Elements and the improvements on it to a clean



and slightly condition satisfactory to the Association and in accordance with the provisions of the Condominium documents as soon as reasonably possible following the occurrence of the damage.

20.2 Repair in Accordance with Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the original plans and specifications for any damaged improvements located within the Unit and appurtenant Limited Common Elements unless all of the Co-Owners shall unanimously determine otherwise.

20.3 Association Responsibility for Repair. Immediately after the occurrence of 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 place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost are insufficient, assessment shall be made against all 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 of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

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

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

20.5.1 Taking of Unit or Improvements. In the event of any taking of all or any portion of a Unit, limited common element appurtenant thereto, or any improvements thereon by eminent domain, the award for such taking shall be paid to the Owner on the mortgagee of such Unit as their interests may appear. If any Owner's entire Unit is taken by eminent domain, such Owner and his mortgagee shall, after acceptance of such award, be divested of all interest in the Condominium Project.

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

20.5.3 Continuation of Condominium After Taking. In the event the Condominium Project

continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be reserved and the Master Deed amended accordingly, and, if any Unit shall have been taken, then the Master Deed shall be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining 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 by any Owner.

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

20.6 Notification of FHLMC. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request by FHLMC, the Association shall give it written notice of such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds \$10,000.00 in amount or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00.

## 21. COMPLIANCE

These Bylaws are set forth to comply with the requirements of Act no. 162 of the Public Acts of Michigan of 1982, as amended, Act No. 59 of the Public Acts of Michigan of 1978, as amended, and with the duly recorded Master Deed of the Condominium and Exhibits attached thereto. In case any of these Bylaws conflict with the provisions of said statute or with the provisions of said Master Deed or the Exhibits thereto, the provisions of the statute and said Master Deed shall be controlling.