

# **BRYNMAWR CONDOMINIUM**

## **AMENDED AND RESTATED CONDOMINIUM BYLAWS**

### **(EXHIBIT "A" TO THE AMENDED AND RESTATED MASTER DEED)**

#### **ARTICLE I**

##### **ASSOCIATION OF CO-OWNERS**

**Section 1. Association.** Brynmawr, a residential Condominium project located in the Township of West Bloomfield, Oakland County, Michigan, shall be administered by an Association of Co-owners which shall be a nonprofit corporation (hereinafter called the "Association") organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium, subject to and in accordance with the Amended and Restated Master Deed, as amended, these Bylaws, the Articles of Incorporation, the duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

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

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

A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve or other asset of the Association. The Association shall

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keep current copies of the Master Deed, all amendments to the Master Deed and other Condominium Documents for the Condominium available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium. All Co-owners in the Condominium and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

## ARTICLE II

### ASSESSMENTS

All expenses arising from the management, administration and operation of the Association pursuant to the Condominium Documents and the Act shall be levied by the Association against the Condominium Units and the Co-owners thereof in accordance with the following provisions:

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

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

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

An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly payments as set forth in Section 3 below rather than by additional or lump sum assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of

the Association's current annual budget on a non-cumulative basis. Since the minimum standard required by this Section may prove to be inadequate for this particular Condominium, the Association of Co-owners should carefully analyze the Condominium to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. The funds contained in such reserve fund should be used for major repairs and replacements of Common Elements.

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

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

(i) to pay the costs of operation, management, insurance, maintenance and repair of the Condominium;

(ii) to provide replacements of existing Common Elements;

(iii) to provide additions to the Common Elements not exceeding Four Thousand Dollars (\$4,000.00), in the aggregate, annually; or

(iv) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional or special assessment or assessments without Co-owner approval as it shall deem to be necessary.

The Board of Directors shall also have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 5 hereof. The discretionary authority of the Board of Directors to levy general and/or additional assessments pursuant to this subsection shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof, except in the event that the Association may voluntarily and conditionally assign the right to levy assessments to any lender in connection with any voluntary loan transaction entered into by the Association.

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

(i) assessments for additions to (and not repair or replacement of) the Common Elements of an aggregate cost exceeding Four Thousand Dollars (\$4,000.00) per year;

(ii) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof;

(iii) assessments for any other appropriate purpose not elsewhere herein described.

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

**Section 3. Apportionment of Assessments; Penalty for Default.** Unless otherwise provided herein or in the Condominium 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 accordance with the percentage of value allocated to each Unit in the Amended and Restated Master Deed without increase or decrease for the existence of any rights to the use of limited Common Elements appurtenant to a Condominium Unit. As provided in the Master Deed, as amended, the cost of maintaining, decorating, repairing and replacing certain Limited Common Elements that are shared by more than one Co-owner shall be incurred by the Association and then assessed equally to each of the Units sharing said Limited Common Elements.

Annual assessment as determined in accordance with Article II, Section 2 (a) above (but not additional or special assessments which shall be payable as the Board of Directors elects) shall be payable by Co-owners in twelve (12) equal monthly installments, 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 to the Association in full on or before the due date for such payment, which shall be the first day of each calendar month. A late charge shall be assessed for any assessment in default paid more than ten (10) days after its due date. The late charge shall be in the amount of Thirty-Five Dollars (\$35.00) or such other amount as may be determined by the Board of Directors from time to time. In the event the Board establishes a new late charge amount, it shall give written notice to all members thirty (30) days before the new late charge rate shall become applicable. Such late charge shall not be deemed to be a penalty or interest upon the funds due to the Association but is intended to constitute a reasonable estimate of the administrative costs and other damages incurred by the Association in connection with the late payment of assessments. Assessments in default shall bear interest at the rate of seven (7%) percent per annum or such higher rate as may be allowed by law until paid in full. Each Co-owner (whether one or more persons) shall be personally liable for the payment of all assessments (including late fees and costs of collection and enforcement of payment) levied against his Unit while such Co-owner has an ownership interest therein. Payments on

account of installments of assessments in default shall be applied as follows: first to costs of collection and enforcement of payment, including attorney's fees; second, to any interest charges, fines and late fees on such installments; and third, to installments in default in order of their due dates. A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve account or other asset of the Association.

**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, or because of uncompleted repair work, or the failure of the Association to provide service.

**Section 5. Enforcement.** The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments, or both in accordance with the Act. Pursuant to Section 139 of the Act, no Co-owner may assert in an answer or set-off to a complaint brought by the Association for nonpayment of assessments the fact that the Association or its agents have not provided the services or management to the Co-owner. All Association remedies are cumulative and not alternative.

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

Notwithstanding the foregoing, a judicial foreclosure action shall not be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his/her or their last known address of a written notice that one or more installments of the annual assessment and/or a portion or all of an additional and/or a special assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by or in the form of a written Affidavit of an authorized

representative of the Association that sets forth (i) the Affiant's capacity to make the Affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. The Affidavit may contain other information that the Association of Co-owners considers appropriate as per the Michigan Condominium Act including but not limited to the amount of any unpaid interest, costs, attorney fees, future assessments, court costs and/or unpaid monetary fines. Such Affidavit shall be recorded in the office of the Register of Deeds in the County in which the Condominium is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing to the Co-owner. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the Co-owner and shall inform the Co-owner that he/she may request a judicial hearing by bringing suit against the Association.

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

**Section 6. Liability of Mortgagee.** Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Condominium which acquires title to the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale in regard to said first mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the acquisition of title by such holder, purchaser or assignee (except for claims for a pro rata share of such assessments or charges

resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit).

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

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

**Section 9. Construction Liens.** Construction liens attaching to any portion of the condominium premises shall be subject to the following limitations and Section 132 of the Act:

(a) Except as provided herein, a construction lien for work performed upon a Condominium Unit or upon a limited Common Element may attach only to the Condominium Unit upon which the work was performed.

(b) A construction lien for work authorized by the Association may attach to each Condominium unit only to the proportionate extent that the Co-owner of the Condominium Unit is required to contribute to the expenses of administration as provided by the condominium documents.

(c) A construction lien may not arise or attach to a Condominium Unit for work performed on the Common Elements not contracted for by the Association.

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

determine.

### ARTICLE III

#### ARBITRATION

**Section 1. Scope and Election.** Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims, or grievances arising among or between Co-owners, or between a Co-owner or Co-owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, if applicable, be submitted to arbitration and parties thereto shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration. Any agreement to arbitrate pursuant to the provisions of this Article III, Section 1 shall include an agreement between the parties that the judgment of any Circuit Court of the State of Michigan may be rendered upon any award rendered pursuant to such arbitration.

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

**Section 3. Effect of Election to Arbitrate.** Election by the parties 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. General Insurance Responsibilities of the Association.** The Association shall carry property insurance, general liability insurance, officers and directors liability insurance, workers compensation and employers liability insurance, if applicable, and such other insurance as the Board may determine to be appropriate with respect to the ownership, use, and maintenance of the General and Limited Common Elements of the Condominium and the administration of Condominium affairs.

**Section 2. Specific Insurance Responsibilities of the Association.** The Association shall purchase insurance for the benefit of the Association, the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of Certificates of Insurance with mortgagee endorsements to the mortgagees of the Co-owners. Such insurance shall be carried and administered in accordance with the following provisions:

(a) **Property Coverage.** All Common Elements of the Condominium shall be insured by the Association under a standard insurance policy or policies covering “all risks” of immediate and direct physical loss or damage to property which are commonly insured against by condominium associations. Such coverage shall include fire, all perils covered by a standard extended coverage endorsement, vandalism, malicious mischief, host liability and any other cause of loss deemed advisable by the Board of Directors. The Association’s coverage shall be in an amount equal to the maximum current insurable replacement value, including code reconstruction, if applicable, as determined annually by the Board of Directors in consultation with the Association’s insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. The Association’s property insurance coverage shall include interior walls within any Unit, the pipes, wires, conduits and ducts contained therein, and shall further include all fixtures, equipment and trim within a Unit which were furnished as standard features by the Developer. The property insurance coverage shall be written on a Blanket Amount basis including an Agreed Value clause for the entire Condominium with appropriate provisions in order that no coinsurance provisions shall be invoked by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total project destruction and the insurance proceeds failed, for some reason, to be equal to the total cost of replacement). All information in the Association’s records regarding insurance coverage shall be made available to all Co-owners upon request and reasonable notice during normal business hours so that the Co-owners shall be enabled to judge the adequacy of such coverage. Upon re-evaluation and effectuation of coverage, the Association shall notify all the Co-owners of the nature and extent of all changes in coverages.

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

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

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

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

(f) **Deductibles.** The Association's Board of Directors may choose to carry insurance policies with reasonable deductibles. Such deductibles shall not exceed the maximum amount allowable by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation. The Association's deductible expense incurred on any casualty loss shall be assessed to the Co-owner in the event that the Co-owner (or the Co-owner's family member, unit occupant, tenant, guest, licensee or invitee)'s intentional conduct, negligence, or failure to comply with the Condominium Documents was a proximate cause of the loss.

**Section 3. Insurance Responsibility of the Co-owner.** It shall be each Co-owner's responsibility to determine by personal investigation the nature and extent of insurance coverage needed to protect his Unit, Limited Common Elements, personal property located within his Unit or elsewhere in the Condominium, his personal liability for occurrences within his Unit or upon the Limited Common Elements appurtenant to his Unit, and also for additional living expenses. Each Co-owner may obtain insurance coverage at his/her own expense upon the Limited Common Elements and building items within his Unit which were furnished with the Unit as standard items by the Developer; however, it will be considered to be excess insurance since the Association's property insurance will be primary coverage for such items, as described above. Each Co-owner shall be solely responsible for insuring all betterments, improvements, and additions to their Condominium Unit and appurtenant Limited Common Elements regardless of whether such items were installed by the Developer at the original Co-owner's request or by the current Co-owner. Each Co-owner shall be required to obtain their own policy, Form HO-6 Condominium Homeowners Policy, and provide written verification thereof to the Association each year. Such coverage shall include a "loss assessment" endorsement which shall cover any property damage, expense, loss or deductible incurred by the Co-owner or assessed to the Co-owner by the Association for which there may be no coverage or inadequate coverage under the Association's insurance policy. The Association shall have the right but not the obligation to place insurance on the Condominium Unit of any Co-owner who shall fail to place their own Form HO-6; the expense thereof shall be assessed to such Condominium Unit. It shall be the responsibility of each Co-owner to require any tenant or non-Co-owner occupant to maintain renters' insurance, and under no circumstances shall the Association be liable to any renters or non-Co-owner occupants for damages to their personal property inside the Unit. Each Co-owner and the Association shall obtain insurance whereby the insurers waive their rights of subrogation as to any claims against any Co-owner and the Association.

## ARTICLE V

### RECONSTRUCTION OR REPAIR AFTER CASUALTY LOSS

The provisions of this Article V relating to the rights and duties of the Association and Co-owner to maintain, decorate, repair and/or replace the Condominium Units and Common Elements shall only apply to damage that results from a casualty loss or other insurable event affecting the Condominium or any part thereof. For all other types of damage or deterioration to the Condominium, the relative duties of maintenance, decoration, repair, and replacement of the Association and the Co-owner shall be governed by Article IV of the Master Deed.

**Section 1. Determination of Reconstruction or Repair.** If any part of the Condominium shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) **Repair or Reconstruction.** If the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable unless it is determined by the affirmative vote of eighty (80%) percent of the Co-owners and fifty-one (51%) percent of the eligible holders of first mortgages on any Condominium Units that the Condominium shall be terminated.

(b) **Decision Not to Repair or Reconstruct.** In the event the Condominium is so damaged that no Condominium Unit is tenantable, the damaged property shall not be rebuilt and the Condominium shall be terminated unless eighty (80%) percent or more of the Co-owners plus fifty-one (51%) percent of the eligible holders of first mortgages on any Condominium Units agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

**Section 2. Repair and Reconstruction to Condition Existing Prior to Damage.** Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the Condominium to a condition as comparable as possible to the condition existing prior to the damage unless sixty-six and 2/3 (66 2/3%) percent of eligible Co-owners, in number and in value, and fifty-one (51%) percent of the eligible holders of first mortgages on any Condominium Units consent to do otherwise.

**Section 3. Co-owner and Association Responsibility for Reconstruction or Repair.** If the damage is only to a part of a Unit or the Common Elements which is the responsibility of the Co-owner to maintain, repair and/or replace under the Master Deed, as amended, then it shall be the responsibility of the Co-owner to maintain, repair and/or replace such damage and to bear the costs thereof subject to the provisions set forth in these Bylaws. In all other cases, the responsibility for reconstruction, repair and/or replacement shall be that of the Association as such duties are set forth in the Master Deed, as amended

**Section 4. Co-owner's Responsibility for Repair of Unit Interior.** After a casualty loss, subject to the provisions of the Master Deed, as amended, each Co-owner shall bear the

responsibility and costs for the reconstruction, repair, maintenance, replacement and decoration of the interior of the Co-owner's Unit, including all finished flooring and floor coverings, all interior walls, wall coverings, interior equipment, fixtures and trim and personal property, including, without limitation the following items:

(a) All appliances within the Unit and supporting hardware, including, but not limited to, auxiliary furnaces, smoke alarms, fire alarms, carbon monoxide alarms, humidifier, air cleaner, air conditioner, compressor, garbage disposal, dishwasher, range, oven, vent fan, clothes washer, clothes dryer, dryer vent (but not including dryer vent covers), duct work, filter, water filters, and hot water heaters, if any.

(b) All Unit entry doors (excluding only Building Entry Doors in Buildings 2 and 13 which open into common areas), including painting of its interior and maintenance of the deadbolts, locking mechanism, handles and knobs on both sides of door, doorwalls, windows, window and door screens, all interior doors and related hardware within the individual Unit, storm door(s), closer(s) and all related locks and hardware for storm door(s).

(c) All electric garage door openers and remotes.

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

(e) All plumbing fixtures including commodes, tubs, shower pans, shower stalls, shower enclosures, tub and shower caulking, faucets, shut-off valves, rings, seals and washers.

(f) All cabinets, counters, sinks, tile and wood, either floor or wall, and related hardware.

(g) All improvements and decorations including, but not limited to, paint, wallpaper, paneling, carpeting, linoleum, tile, finished floors, and trim.

(h) Individual Unit drain lines located within a Unit up to the point at which the drain line enters the Unit's perimeter walls; however, in the event a drain line within a Unit services more than one Unit, the Association will be responsible for the reconstruction, repair, maintenance and replacement of the drain line.

(i) All other items not specifically enumerated above which may be located within the individual Unit's perimeter walls.

In the event that any damage to interior walls within a Co-owner's Unit, or to any pipes, wire, conduits, ducts or other Common Elements therein, or to any fixtures, equipment and trim which are standard items within a Unit (including, but not limited to, the interior items listed in (a) – (i) above) is covered by insurance held by the Association, then the reconstruction, repair

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and/or replacement of any such damage shall be the responsibility of the Association to the extent of the insurance proceeds received by the Association for such purposes; provided, however, that any portion of the expense incurred by the Association in relation to any such damage but not recovered by virtue of any insurance deductible may be allocated to the Co-owner whose intentional conduct, negligence, or failure to comply with the Condominium Documents was a proximate cause of the loss in accordance with Article IV, Section 2 (f) of these Bylaws.

If any other interior portion of a Unit besides those listed above in this Section 4 is covered by insurance held by the Association for the benefit of the Co-owner, then the Co-owner shall be entitled to receive the proceeds of insurance relative thereto and if there is a mortgage endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In such cases, the Co-owner shall begin reconstruction or repair of the damage upon receipt of the insurance proceeds from the Association. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

**Section 5. Association Responsibility for Reconstruction or Repair of Common Elements.** Subject to the responsibilities of the individual Co-owner as outlined in Sections 3 and 4 above and any other provisions of these Bylaws or the Amended and Restated Master Deed applicable to such situations, the Association shall be responsible for the reconstruction and repair of the Common Elements. In no event shall the Association be responsible for any damage to the contents of a Unit and/or any personal property of any Co-owner or Limited Common Elements for which the Co-owner has responsibility under the Master Deed or Sections 3 or 4 of this Article. Immediately after a casualty causing damage to property for which the Association has the responsibility of 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 the 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, the funds for the repayment of the costs thereof are insufficient, assessments 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 of the repair. This provision shall not be construed to require replacement of mature trees and vegetation with their equivalent.

**Section 6. Timely Reconstruction and Repair.** The Association or Co-owner responsible for the reconstruction, repair and/or maintenance shall proceed with and complete reconstruction, repair, maintenance or replacement of the damaged property without delay.

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

(a) **Taking of Entire Unit.** In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the Co-

owner and his/ mortgagee, they shall be divested of all interest in the Condominium. In the event that any condemnation award shall become payable to any Co-owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Co-owner and his/her mortgagee, as their interests may appear.

(b) **Taking of Common Elements by Eminent Domain.** If there is any taking of any portion of the Condominium other than a 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. The Association, acting through its Board of Directors, may negotiate on behalf of all Co-owners for any taking of the Common Elements. Any negotiated settlement approved by more than two-thirds (2/3) of the Co-owners in number and value shall be binding on all Co-owners. The affirmative vote of more than sixty-six and 2/3 (66 2/3%) percent of all of the Co-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. Any restoration or repair of the Condominium after a partial taking shall be substantially in accordance with the Master Deed and original plans and specifications for the Condominium unless fifty-one (51%) percent of the eligible holders of first mortgages on any Condominium Units consent to do otherwise.

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

In the event of a substantial taking in condemnation of the Condominium, any election to terminate the Condominium must be approved by the affirmative vote of eighty (80%) percent or more of the Co-owners plus fifty-one (51%) percent of the eligible holders of first mortgages on any Condominium Units.

(d) **Impracticality of Use of Portion of Unit not Taken by Eminent Domain.** If the taking of a portion of a condominium unit makes it impractical to use the remaining portion of that condominium unit for a lawful purpose permitted by the condominium documents, then the entire undivided interest in the common elements appertaining to that condominium unit shall thenceforth appertain to the remaining condominium units, being allocated to them in proportion to their respective undivided interests in the common elements. The remaining portion of that condominium unit shall thenceforth be a common element. The court shall enter an order reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the co-owner of the condominium unit for the co-

owner's entire undivided interest in the common elements and for the entire condominium unit

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

**Section 8. Mortgages Held by FHLMC; Other Institutional Holders.** In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefor by FHLMC, the Association shall give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds \$10,000.00 in amount or if damage to a Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00. The Association shall provide such other reasonable notice as may be required, from time to time, by other institutional holders of mortgages upon Units.

**Section 9. Rights of First Mortgagees.** 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**

**Section 1. Residential Use.** No Unit in the Condominium shall be used for other than residential purposes and the Common Elements shall only be used for purposes consistent with those set forth in this Section 1. No Unit shall be used for any commercial, manufacturing, industrial or business purposes that create any nuisances or liability exposures, such as, but not limited to, customer/client/patient visits, noise, traffic or parking congestion, odors, vibrations or anything else that might detract from the peaceful and residential character of Brynmawr. Timesharing and interval ownership is prohibited. No Unit shall be used in any manner in violation of applicable zoning or other ordinances of Township of West Bloomfield. The maximum number of persons occupying or residing in a Unit at any given time shall not exceed 1 person for every 200 square feet of habitable Unit space, or such other maximum limits on occupancy as might be set forth in the Michigan Building Code or in such other codes or ordinances as might be adopted by the Township of West Bloomfield, as they may be amended from time to time.

**Section 2. Leasing and Rental.**

(a) **General – Right to Lease.** A Co-owner may lease his/her Unit for

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the same purposes set forth in Section 1 above provided the occupancy is only by the lessee for a minimum initial term of not less than one (1) year. If the Association acquires title to any Unit (whether via foreclosure or otherwise) as a result of or in relation to the Association's effort to collect amounts owed on the Unit's account, such an Association-owned Unit shall be exempt from the one-year minimum initial lease term requirement. All leases must be set forth in writing and shall be signed and dated by the Co-owner and his or her tenant(s). No subleasing of a Unit shall be allowed. No rooms within a Condominium Unit may be rented and no transient tenants may be accommodated in any event. For purposes of these Bylaws, a "transient tenant" is any non-co-owner who resides in a Condominium Unit for less than 30 days. Co-owners of rented Units may not provide any services to their tenants that might be commonly associated with hotels.

Any mortgage lender who acquires title to a Unit via foreclosure or a deed in lieu shall be exempt from the restrictions against leasing contained in this Article VI, Section 2 to the extent that such an exemption would be required in order for these Bylaws to comply with the standards and rules for mortgage lending, insuring and/or underwriting currently followed by the U.S. Department of Housing, the Federal Home Loan Mortgage Corporation, and/or the Federal National Mortgage Association.

To the extent that any provision set forth in these Bylaws regarding leasing is inconsistent with the requirement(s) of guaranteed or direct loan programs of the United States Department of Veteran Affairs, as set forth in chapter 37 of title 38, United States Code, or part 36 of title 38, Code of Federal Regulations ("VA Mortgage Financing"), such provision shall not apply to any Unit that is: (i) encumbered by VA Mortgage Financing, or (ii) owned by the Department of Veterans Affairs.

**(b) Leasing Procedures.** An exact copy of the co-owner's proposed written lease shall be provided to the Association at least ten (10) days prior to presenting it to the tenant for execution, and shall specifically state that the tenant acknowledges that he/she must abide by all of the terms and conditions of the Condominium Documents, including the Association's rules and regulations. All leases, occupancy agreements and arrangements shall be deemed to incorporate all of the provisions of the Condominium Documents.

Unless otherwise specifically set forth herein (such as in Section 2 (c) below), for all purposes of these Bylaws the term "lease" shall mean and refer to any occupancy agreement or arrangement whereby a Unit is occupied by any non-Co-owner occupant or lessee whether or not the arrangement has been reduced to writing, and regardless of whether rent or other consideration is being paid (or is required to be paid) to the Co-owner. The term, "leased unit," shall mean any Unit that is solely occupied by non-co-owner occupants or lessees.

**(c) Non-Co-owner Occupants (other than Renters).** If any owner intends to permit any non-Co-owners to occupy his or her unit but the Unit is not going to be leased or rented, the Co-owner shall nevertheless provide the following information in writing to the Association at least 10 days prior to allowing any such non-co-owner occupants to take occupancy of the Co-owner's Unit:

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(i) The full name, address, and contact information of all non-co-owner occupants that will be occupying the unit; and

(ii) A summary of the terms of the occupancy arrangement under which such occupants will occupy the Unit, including the expected duration of the occupancy.

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

(i) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant or non-Co-owner occupant.

(ii) The Co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or non-Co-owner occupant or advise the Association that a violation has not occurred.

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

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

(i) issue a statutory notice to quit for nonpayment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.

(ii) initiate proceedings pursuant to MCL 559.212(4) (b).

**(f) Limitations on Units That May be Rented; Definition of “Total Leased Units”; General Exemptions; Exempt Transfers of Title; Definition of “Existing Lease”**. No more than eight (8) of the Units in the Condominium may be rented simultaneously at any given time (the “Leasing Limit” for purposes of these Bylaws). In determining whether the total number of leased Units within the Condominium exceeds the Leasing Limit at any given time, the Association shall include in the total number of leased Units all of those Units that remain subject to Existing Leases (as defined later herein) as well as all other Units leased out by Co-owners after the enactment of these amendments (collectively, the “Total Leased Units”). Any Units which are solely occupied by non-Co-owner occupants who are not renters (such as those non-Co-owner occupants identified in Section (c) above) also shall be included in the number of Total Leased Units under this Paragraph. Any Units being leased out by mortgage lenders who took title to the Units via foreclosure or a deed in lieu shall not be included in calculating the number of Total Leased Units under this Paragraph. Likewise, any Units being leased out by the Association pursuant to the exemption stated elsewhere in this Section 2 for Association-owned Units shall not be included in calculating the number of Total Leased Units under this Paragraph.

**(i) General Exemptions – Existing Leases; Exemption for Units Subject to Existing Leases**. Any written lease existing between a Co-owner and his or her tenant as of the date of the recording of this amendment (“Existing Lease”) shall not be affected by this rental limitation, provided that the lease, the Co-owner and his or her tenant are otherwise in full compliance with all relevant provisions of these Bylaws. The sale or conveyance of a Unit shall not automatically terminate an Existing Lease, but the subsequent owner of a Unit that was subject to the Existing Lease shall be subject to all of the lease restrictions and other provisions contained in this Article VI, Section 2 after the sale or conveyance of the unit upon the expiration of the remaining term of the Existing Lease.

Any Co-owner that is a party to any Existing Leases at the time of the recording of these amendments shall continue to have the right to lease out any of the Co-owner’s Units that were the subject of such Existing Leases regardless of any of the restrictions against leasing contained in Sections (f) through (h) herein (including, but not limited to, the Leasing Limit) until the Co-owner sells, conveys or otherwise becomes divested of title to said Units, at which point the Units shall become fully subject to all such leasing restrictions unless otherwise exempted from them under any provision of this Article VI, Section 2. Any and all subsequent owners of such restricted Units shall have to follow the waitlist and other relevant procedures stated herein before being able to lease out the Units.

Any Unit to which the Association acquires title (whether via foreclosure or otherwise) as a result of or in relation to the Association’s effort to collect amounts owed on the Unit’s account shall be exempt from the restrictions on leasing contained in Sections (f) through (h) herein, including (but not limited to) the Leasing Limit restriction. Any such Association-owned Units that are leased out shall not count towards the Condominium’s Leasing Limit.

(ii) **Exempt Transfers of Title.** The addition of a Co-owner's spouse, son or daughter to the title of any Unit that was subject to an Existing Lease shall not be considered a sale, conveyance or divestiture of the Co-owner's title to the Unit for purposes of this Section (f). Notwithstanding any of the foregoing provisions, a transfer of title to a Unit that is solely between a Co-owner(s) and his or her (or their) spouse, son(s) and/or daughter(s) (or any combination thereof) shall not result in the loss of a Co-owner(s)' right to continue leasing out a Unit that was subject to an Existing Lease.

A Co-owner's transfer of ownership of any Unit that was subject to an Existing Lease to a separate legal entity shall not result in the loss of the Co-owner's right to continue leasing said Unit under this Section (f) provided that the legal entity is not owned (in whole or in part) by anyone other than the transferring Co-owner(s) and/or his or her spouse, sons and/or daughters (or any combination thereof). If the transferee entity is a corporation, then all of the shareholders and directors of the entity must either be Co-owners of the Unit or the spouses, sons and/or daughters of Co-owners. If the transferee entity is a limited liability company, then all of the members of the company must be Co-owners of the Unit or the spouses, sons and/or daughters of Co-owners. If the transferee entity is a partnership, then all of the partners of the partnership must be Co-owners of the Unit or the spouses, sons and/or daughters of Co-owners. If the entity is a trust, then all of the beneficiaries of the trust must be Co-owners of the Unit or the spouses, sons and/or daughters of the Co-owners.

Any testamentary transfer of ownership of a Unit which takes effect upon the death of the transferring Co-owner by operation of law or via a legal instrument or devise (including, but not limited to, transfers via a Co-owner's will or trust) shall not result in the loss of the deceased Co-owner's exemption from the leasing restrictions granted under Section (f) (i) above provided that ownership to the Unit does not vest in anyone other than the deceased Co-owner's spouse, sons and/or daughters (or any combination thereof) as a result of such transfer.

(iii) **Definition of "Existing Lease".** For all purposes of these Bylaws, the term, "Existing Lease" shall mean any written lease for a Unit executed by a Co-owner and his or her tenant(s) prior to the date of the recording of this amendment, subject to the further restrictions contained in this paragraph. If a copy of a Co-owner's written lease for his or her Unit is not already on file with the Association at the time of the recording of this amendment, then the Co-owner must provide the Association with a written copy of said lease within thirty (30) calendar days of the date of the Association's mailing of these amended Bylaws to the Co-owners in order for such a lease to qualify as an "Existing Lease." If a Co-owner's lease with his or her tenant(s) is not in writing as of the date of the recording of this amendment, then the Co-owner and his or her tenant(s) must execute a written lease for the Unit and provide a copy of said written lease to the Association within thirty (30) calendar days of the date of the Association's mailing of these amended Bylaws to the Co-owners in order for such a lease to qualify as an "Existing Lease." Any leases or other occupancy arrangements that do not fully comply with all of the requirements of this paragraph shall not constitute "Existing Leases" for purposes of these Bylaws.

(g) **Waitlist Procedure.** The Board shall maintain a list of all of the approved leased Units in the Condominium, in addition to a waiting list of those Co-owners who, on a first-come, first-serve basis, wish to lease their units. In the event that any Co-owner applies for approval of a lease that would result in the number of Total Leased Units in the Condominium exceeding the Leasing Limit, the Board shall disapprove the request and shall place the Co-owner's name on the waiting list.

Any Co-owner who has an approved lease shall forfeit his or her right to lease to the next Co-owner on the waiting list should that Co-owner fail to execute a lease renewal or extension with the Co-owner's existing Tenant and provide the Board with a copy of the executed lease renewal or extension 15 days prior to the expiration of the tenant's existing lease term, or (if the Co-owner does not choose to renew or extend the existing Tenant's lease) the Co-owner fails to execute a lease with a new Tenant within six (6) months from the expiration of the Co-owner's existing approved lease. The requirements of this paragraph shall not apply to any unit leased by a Co-owner if the Co-owner chooses to renew or extend his or her tenant's lease of that unit on a month-to-month basis with the same tenant (or tenants) after the expiration of the lease's initial one-year term. The next Co-owner on the waiting list shall have the right to lease his or her Unit whenever the number of Total Leased Units in the Condominium is reduced below the Leasing Limit. If the next Co-owner on the waiting list does not wish to lease his or her Unit, or if he or she is unable to execute a lease with a tenant within six (6) months from the date on which the lease allocation became available, then he or she shall forfeit his or her respective place on the waiting list. In the event of any sale, conveyance or other transfer of a leased Unit, any and all of the Co-owner's existing rights to lease the Unit shall terminate and shall not be transferred with the Unit to the purchaser or grantee of said Unit (subject to the exemptions set forth elsewhere in this Article VI, Section 2). Such a purchaser or grantee of a Unit may not lease the Unit without fully complying with all of the other restrictions on leasing contained in this Article VI, Section 2.

(h) **Two-Year Residency Requirement; One Lease per Co-owner Restriction; Exemption.** In addition to the foregoing restrictions, no Co-owner may lease his Unit unless and until the Co-owner has occupied the Unit as a primary residence for a period of at least two (2) year from the date of purchase. The Co-owner must provide the Board of Directors with documentation to prove that the Co-owner is using the Unit as his/her primary residence. Such documentation may include a Michigan driver's license, voter registration, or such other documentation as might be reasonably required by the Board. If a Co-owner is a legal entity, an owner or current trustee of the entity must occupy the unit as his primary residence for the aforementioned two-year period before the entity may lease the Unit. If a Co-owner owns more than one Unit in the Condominium, the Co-owner may not lease out more than one of his Units at any given time. The provisions of this paragraph shall not apply to or affect any written leases executed between a Co-owner and his or her tenant prior to the date of the recording of this amendment.

(i) **Board's Authority to Allow Temporary Leasing for Objectively Verifiable Hardships.** Even if a proposed rental would result in the number of Total Leased Units in the Condominium exceeding the Leasing Limit or would otherwise violate

any of the restrictions against leasing contained in this Article VI, Section 2, the Board of Directors may approve the temporary leasing or rental of the proposed Unit and may grant such other exemptions from the restrictions against leasing contained in this Article VI, Section 2 as may be appropriate if one of the following circumstances is documented in a written request submitted to the Board of Directors:

(i) the Co-owner needs to relocate because of a job transfer more than fifty miles from his or her current job location;

(ii) the Co-owner has died, and the Co-owner's personal representative or trustee desires to lease or rent the unit during the administration of the estate or trust of the deceased Co-owner;

(iii) the Co-owner has been called to active duty in the armed forces of the United States;

(iv) the Co-owner has been transferred to an extended care medical facility; or

(v) any other objectively verifiable hardships.

The Board may adopt further Rules and Regulations as might be relevant to the application and/or enforcement of the provisions of this Article VI, Section 2.

**Section 3. Alterations and Modifications of Units and Common Elements.** No Co-owner shall make alterations in exterior appearance or make structural modifications to the Co-owner's Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, Limited or General, without the advance express written approval of the Board of Directors (which approval shall be in recordable form), including, but not by way of limitation, any exterior painting, the erection, alteration and/or modification of antennas, lights, aerials, awnings, swings, doors, shutters, newspaper holders, flags or flagpoles (except the display of American flags as might be permitted by law), landscaping, mailboxes, basketball backboards or any other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to walls between Units which in any way impair sound conditioning. No Co-owner shall construct any outbuilding of any kind, nature or description or for any use whatsoever. Over-the-air reception devices, including but not limited to satellite dish antennas, shall not be attached or installed upon any general common element without the advance written permission of the Board of Directors. Over-the-air reception devices such as satellite dish antennas may be installed within Units or Limited Common Elements in accordance with the rules and regulations of the Federal Communications Commission ("F.C.C."). The Association may adopt rules and regulations to govern the acceptable size, color and placement of satellite dish antennas subject to applicable F.C.C. rules and regulations. No attachment, appliance or other item may be installed which is designed to kill or repel insects or other animals by light or humanly audible sound.

The foregoing is subject to the applicable provisions of the Michigan Condominium Act governing improvements or modifications if the purpose of the improvement or modification is to facilitate access to or movement within the Unit for persons with disabilities under the circumstances provided for in the Act at MCL 559.147a, as amended from time to time. No Unit boundaries shall be relocated nor shall any Unit be subdivided.

The Co-owner shall be responsible for the maintenance and repair of any such modification or improvement. In the event that the Co-owner fails to maintain and/or repair said modification or improvement to the satisfaction of the Association, the Association may undertake to maintain and/or repair same and assess the Co-owner the costs thereof and collect same from the Co-owner in the same manner as provided for the collection of assessments in Article II hereof. The Co-owner shall indemnify and hold the Association harmless from and against any and all costs, damages, and liabilities incurred in regard to said modification and/or improvement.

No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves, or any element which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments, including, but not limited to, patios and finished basements of any nature that restrict such access, and will have no responsibility for repairing or reinstalling any materials (whether or not installation thereof has been approved hereunder) that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access.

**Section 4. Conduct upon the Condominium Premises.** No immoral, improper, unlawful or offensive activity, including but not limited to speeding or other vehicular infractions, shall be carried on or upon the Common Elements, limited or general, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity be engaged in on the Common Elements or in any Unit. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without written approval of the Association and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: the use of firearms, air rifles, pellet guns, b-b guns, bows and arrows, or other similar dangerous weapons, projectiles or devices. No Co-owner shall use or permit to be brought into the buildings in the Condominium any flammable oils or fluids such as gasoline, kerosene, naphtha, benzene, or other explosives or articles deemed to be extra-hazardous to life, limb, or property, without in each case obtaining the written consent of the Association. No garage sales, rummage sales, estate sales or any other type of sale shall be permitted without the prior written approval of the Board of Directors.

**Section 5. Animals.** No more than three (3) pets in total are permitted per Unit, only two (2) of which may be dogs. No animal may be kept or bred for any commercial purpose. All

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animals shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal which creates noise and can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements. No dog or cat may be permitted to run loose at any time upon the Common Elements and all dogs shall at all times be leashed and attended by some responsible person while on the Common Elements, Limited or General. The Board of Directors may, in its discretion, designate certain portions of the General Common Elements of the Project wherein such animals may be walked and/or exercised. Nothing herein contained shall be construed to require the Board of Directors to so designate a portion of the General Common Elements for the walking and/or exercising of animals. All persons maintaining any animal shall be required to comply with all applicable Township of West Bloomfield ordinances. The words "animal" and "pet" shall not include birds or fish. No exotic pets or farm animals are permitted.

No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability (including costs and attorney fees) which the Association may sustain as a result of the presence of such animal on the premises, whether or not the Association has given its permission therefore, and the Association may assess and collect from the responsible Co-owner such losses and/or damages in the manner provided in Article II hereof.

Each Co-owner shall be responsible for the immediate collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. All animals shall be registered with the Association, licensed by the municipality (if required), and proof of the animal's shots shall be provided to the Association. The Board may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper.

The Association may, after notice and hearing and without any liability to the owner thereof, take legal action to remove any animal from the Condominium which it determines to be in violation of the Master Deed, Bylaws or Rules and Regulations of the Association. The Association shall be entitled to assess any and all damages, costs, attorney's fees and/or expenses incurred as a result of the animal, including but not limited to any legal actions taken by the Association to remove the animal, to the Co-owner. The Association may also assess fines to the Co-owner for such violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association.

**Section 6. Utilization of Common Elements.** The Common Elements, limited or general, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, porches, balconies and patios shall not be obstructed in any way nor shall they be used for purposes other than for which

they are reasonably and obviously intended. No bicycles, chairs, benches, toys, baby carriages, obstructions or other personal property may be left unattended on or about the Common Elements, or stored in the front or back of any Unit. Trash receptacles shall be maintained within Units or their appurtenant garages or in areas designated therefor by the Association, and except for such short periods of time as may be necessary to permit periodic collection of trash, shall not be permitted to remain on the Common Elements at any time. The Common Elements shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics. Automobiles may be washed only on such days and in such areas as are approved by the Association. In general, no activity shall be carried on nor condition maintained by a Co-owner either in his Unit or upon the Common Elements, which detracts from or spoils the appearance of the Condominium.

**Section 7. Vehicles.** No mopeds, go-carts, motorcycles, house-trailers, recreational vehicles, or similar vehicles, such as club wagons, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, mobile homes, dune buggies, motor homes, all-terrain vehicles, snowmobiles, snowmobile trailers or vehicles, or commercial vehicles may be used or operated upon the premises of the Condominium. Co-owners may only park or store such vehicles on the Condominium Premises within the Co-owner's garage with the door closed. The Board of Directors shall have discretion to issue rules and regulations which provide for the temporary presence or operation of the above enumerated recreational vehicles upon the Condominium Premises for proper purposes, such as for the loading and unloading of said vehicles. In such cases, the presence of said vehicles shall not be allowed for more than 48 hours on the Condominium Premises, unless housed in a Unit's garage with the door closed. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of such vehicles or to designate an area therefor beyond the existing provisions of the Condominium's Master Deed and Bylaws.

There shall be no parking upon the streets of the Condominium at any time. Each Co-owner shall park his car in his Unit garage space, carport, designated parking space area or approved appurtenant driveway area. The Board may adopt reasonable rules regarding permissible size limitations of any permitted vehicle.

Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pick-ups in the normal course of business. For purposes of this Section, the term "commercial vehicle" means any vehicle that has any one of the following characteristics: (a) more than two axles; (b) gross vehicle weight rating in excess of 10,000 pounds; (c) visibly equipped with or carrying equipment or materials used in a business; or (d) carrying a sign advertising or identifying a business.

Non-operational vehicles and vehicles with expired license plates shall not be parked or stored on the Condominium Premises without the written permission of the Board of Directors unless parked in the Co-owner's garage with the door closed. Vehicles which detract from the appearance of the Condominium shall not be parked or stored on the Condominium Premises. Non-emergency maintenance or repair of motor vehicles shall not be permitted on the Condominium Premises unless specifically approved by the Board of Directors.

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The Association may allocate or assign available General Common Element parking spaces from time to time on an equitable basis. In the event there arises a shortage of parking spaces or parking creates a nuisance, the Association may construct such additional parking facilities on the General Common Elements, or make whatever rules and regulations pertaining to parking, as the Association, in its discretion, determines. The Association may cause vehicles parked or stored in violation of this Section or of any applicable rules and regulations of the Association to be removed from the Condominium Premises and the cost of such removal may be assessed to, and collected from, the Co-owner of the Unit responsible for the presence of the vehicle in the manner provided in Article II hereof. The Co-owner shall be responsible for the costs incurred in having a towing company respond to remove a vehicle which violates this Section even if the Co-owner moves and properly parks the vehicle or otherwise cures the violation before the towing company arrives at the Condominium. In the event that the Association removes a vehicle from the Condominium premises that is in violation of these Bylaws, the Association shall have no liability whatsoever to the Co-owner or user of the vehicle for any costs, fees or expenses that might result to the Co-owner or user as a result of the removal. Co-owners shall, if the Association shall require, register with the Association all vehicles maintained on the Condominium Premises. The Board of Directors may make reasonable rules and regulations governing the parking of vehicles in the Condominium consistent with the provisions hereof.

**Section 8. Signs; Advertising.** No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit at any time, for any reason, without the advance written permission of the Association's Board of Directors. This prohibition includes, but is not limited to, "Open," "For Sale," "For Rent," and political signs. No advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements at any time without the advance written permission of the Board. The Association shall have discretion to allow certain open house signs of a size, and during such times, as the Association may establish through duly adopted Rules and Regulations. Notwithstanding this restriction, Co-owners may display the American Flag, provided the size of said flag does not exceed 3' x 5'.

**Section 9. Rules and Regulations Consistent with the Act.** Reasonable rules and regulations consistent with the Act, the Amended and Restated Master Deed, and these Bylaws, concerning the use of the Common Elements or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium may be made and amended from time to time by any Board of Directors of the Association. Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Co-owners in number and in value.

**Section 10. Rights of Access of Association.** The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as

may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit and/or to protect the safety and/or welfare of the inhabitants of the Condominium.

It shall be the responsibility of each Co-owner to provide the Association means of access to the Co-owner's Unit and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to the Co-owner's Unit and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any contents, doors or windows damaged in gaining such access. The Association and its managing agent shall have no duty to accept or maintain keys to individual Units. In the event that it is necessary for the Association to gain access to a Unit to make repairs to prevent damage to the Common Elements or to another Unit or to protect the safety and welfare of the inhabitants of the Condominium, the costs, expenses, damages, and/or attorney fees incurred by the Association in such undertaking shall be assessed to the responsible Co-owner and collected in the same manner as provided in Article II of these Bylaws, including all damages resulting from any Co-owner or their tenants, family, occupants, invitees or contractor's failure or delay in providing access to the Association. The Association shall have no liability for damages to Co-owner alterations, betterments, improvements or customizations resulting from the Association's efforts to gain access to any common element nor shall the Association be held liable for the expenses of the removal or replacements of any such obstructions.

**Section 11. Landscaping and Decoration of Common Elements.** No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials, including but not limited to statuary, exterior lighting, furniture, implements, rocks or boulders, fencing or other decorative items upon the Common Elements unless the same is approved by the Association in writing and is in total conformance with the Association's policies on landscaping as are published from time to time. Christmas lighting and other holiday decorating shall only be allowed in strict conformance with any Rules and Regulations promulgated by the Association. Any landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted by the Co-owner, if and when approved, shall be the responsibility of the Co-owner to maintain. In the event that such Co-owner fails to adequately maintain such landscaping performed by the Co-owner and any such trees; shrubs, or flowers planted by the Co-owner to the satisfaction of the Association, the Association shall have the right to perform such maintenance and assess and collect from the Co-owner the cost thereof in the manner provided in Article II hereof. Co-owners may not install any landscaping that might adversely affect drainage on the Common Elements. The Co-owner shall also be liable for any damages to the Common Elements arising from the performance of such landscaping or the planting of such trees, shrubs, or flowers, or the continued maintenance thereof. Should access to any Common Elements of any sort be required, or should any materials specified in this Section interfere with maintenance or services provided by the Association, the Association may remove any obstructions of any nature that restrict such access and/or services and will have no responsibility

for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access and/or performance of such services, nor shall the Association be responsible for monetary damages of any sort arising out of any such actions.

**Section 12. Co-owner Maintenance.** Each Co-owner shall maintain his/her Unit and any Limited Common Elements appurtenant thereto for which he/she has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall have the following duties and shall be fully liable for any and all expenses or damages which may result from any failure to perform any of these duties:

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

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

(c) maintain heat of at least fifty degrees Fahrenheit inside his/her Unit so as to prevent pipes from freezing.

(d) winterize (close water valves, shut off ice-makers) his/her Unit during all periods of absence when freezing temperatures may reasonably be anticipated.

(e) cause his/her Unit to be timely monitored during all periods of absence to assure that all windows and doors are securely closed and locked, no water is escaping from any pipe or fixture or appliance and to assure that adequate heat is being maintained.

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

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

Each Co-owner shall be responsible for damages or costs to the Association, or to other Co-owners, as the case may be, resulting from damage to or misuse any of the Common Elements or Units by the Co-owner, or his/her family, guests, tenants, land contract purchasers, agents or invitees, whether or not such damage resulted from the negligence of any such parties, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless full reimbursement to the Association is excluded by

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virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount in accordance with Article IV, Section 2 (f) of these Bylaws). Any costs or damages to the Association or to other Co-owners, as the case may be, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. The Co-owners shall have the responsibility to report to the Association any Common Element in or about their Unit which has been damaged or which is otherwise in need of maintenance, repair or replacement and any other circumstances which if not promptly reported and attended to, could result in loss or damage to any Common Element. All damages resulting from the failure of the Co-owner to report any of the foregoing items may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. Each Co-owner shall have these responsibilities and liabilities regardless of whether they occupy the Unit or the Unit is occupied by their tenant.

**Section 13. Unsightly Conditions.** No unsightly condition shall be maintained upon any Limited Common Elements and only furniture and equipment consistent with ordinary courtyard, deck, patio and balcony use shall be permitted to remain there during seasons when said elements are reasonably in use and no furniture or equipment of any kind shall be stored on or in courtyards, decks, patios and balconies during seasons when said elements are not reasonably in use. All interior window draperies which are visible from the exterior of any Unit shall be subject to the approval of the Association's Board of Directors. Co-owners may not use blankets as drapes. The Board of Directors may adopt further Rules and Regulations governing the hanging of drapes by Co-owners.

**Section 14. Assessment of Costs of Enforcement.** Any and all costs, damages, expenses and/or attorney fees incurred by the Association in enforcing any of the restrictions set forth in this Article VI and/or rules and regulations made by the Board of Directors of the Association under Article VI, Section 9 of these Bylaws, and any expenses incurred as a result of the conduct of less than all those entitled to occupy the Condominium Project, or by their licensees or invitees, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

## ARTICLE VII

### MORTGAGES

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

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

(a) Any proposed amendment of the Condominium documents effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto and/or (ii) interests in the general or limited Common Elements appertaining to any Unit or the liability for common expenses appertaining thereto and/or the number of votes in the Association appertaining to any Unit;

(b) The purposes to which any Unit or the Common Elements are restricted;

(c) Any proposed termination of the Condominium Project;

(d) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects any Unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;

(e) Any delinquency in the payment of assessments or charges owed by an owner of a Unit subject to the mortgagee of such eligible holder, insurer or guarantor, where such delinquency has continued for sixty (60) days;

(f) Any lapse, cancellation or material modification of any insurance policy maintained by the Association pursuant to paragraph 14 (a) (i) of HUD Manual 4265.1 Appendix 24.

(g) The amounts of insurance coverage that the Association has for the Condominium against fire, perils covered by extended coverage, vandalism and malicious mischief;

(h) The issuance of notice of an official meeting of the membership in which case each holder, insurer or guarantor of a first mortgage shall be allowed to designate a representative to attend such meeting.

## ARTICLE VIII

### VOTING

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

**Section 2. Eligibility to Vote.** No Co-owner shall be entitled to vote at any meeting of the Association until he/she has presented a deed or other evidence of ownership of a Unit in the Condominium to the Association. Land contract vendees shall be recognized as co-owners unless the vendor provides the Association with a copy of the land contract expressly reserving

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voting privileges to the vendor. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative. No Co-owner who is in default of a duty to pay any sum to the Association shall be entitled to vote until such default is cured.

**Section 3. Designation of Voting Representative.** Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name 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 who is 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. At any meeting the filing of such written notice as a prerequisite to voting may be waived by the chairperson of the meeting.

**Section 4. Voting.** Votes may be cast in person, by proxy, or by a written absentee ballot (including ballots case by email) duly signed by the designated voting representative who is not present at a given meeting in person or by proxy. Proxies and any written absentee ballots must be filed with the Secretary of the Association, or with such other person as the Association shall designate, at or before the appointed time of each meeting of the members of the Association; such filings may be made by hand delivery, mail, fax, email, text, or by, any method permitted by the Nonprofit Corporation Act, including all methods of electronic transmission and/or communication permitted by the Act. Cumulative voting shall not be permitted.

Any action which could be authorized at an annual or special meeting of the members, including the election of directors, maybe authorized without a meeting by the majority vote of the membership by written ballot in accordance with Section 408 of the Nonprofit Corporation Act. The ballot provided to the members shall set forth each proposed action, provide an opportunity for the members to vote for or against each proposed action, and shall specify a time by which the corporation must receive a ballot in order to be counted as a vote of the member. The time specified shall be not less than 20 or more than 90 days after the date the Association provides the ballot to the members.

**Section 5. Majority; Approval of Actions by Written Ballot.** A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent in value of those eligible to vote and present in person or by proxy or by written absentee ballot 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 and may require such majority to be one of both number and value of designated voting representatives present in person or by proxy, or by written ballot, if applicable.

For actions approved by written ballot without a meeting, an action is considered approved if the total number of members voting or the total number of member votes cast in ballots received by the Association by the time specified in the ballots equals or exceeds the quorum required to be present at a meeting to take the action, and the number of favorable votes equals or exceeds the number of votes that would be required to approve the action at a meeting at which the number of votes cast by members present in person, by proxy or by written absentee ballot was the same as the number of votes cast by written ballot.

## ARTICLE IX

### MEETINGS

**Section 1. Location; Procedure.** 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. Voting shall be as provided in the Condominium Bylaws. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order, when not otherwise in conflict with the Articles of Incorporation, the Bylaws of the Corporation, the Condominium Master Deed or the laws of the State of Michigan.

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

- (a) Call to order.
- (b) Proof of notice of the meeting.
- (c) Determination of quorum.
- (d) Reading of minutes of the last previous Annual Meeting.
- (e) Reports from officers.
- (f) Reports from committees.
- (g) Election of directors.
- (h) Miscellaneous business.

**Section 3. Special Meetings.** It shall be the duty of the President to call a special

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

**Section 4. Membership Meeting Notices.** It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least ten (10) calendar days but not more than sixty (60) calendar days prior to such meeting. The mailing, postage prepaid, 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 the Condominium Bylaws shall be deemed notice served. Each member shall be deemed to have consented to receiving notices electronically (email or text) if they provide the Association with their email/text address. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association shall be deemed due notice.

**Section 5. Quorum.** The presence in person or by proxy of thirty-five (35%) percent of the Co-owners in number and in value who are eligible to vote shall constitute a quorum for holding a meeting of the members of the Association. The written absentee ballot of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the ballot is cast.

**Section 6. Adjournment for Want of Quorum.** If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to another time and place. If the Board of Directors does not announce the time and place for the adjourned meeting at the meeting at which the adjournment is taken, then the Association shall give proper notice of the time and place of the adjourned meeting to the Co-owners as required by these Bylaws and the Nonprofit Corporation Act. At any such re-scheduled meeting the quorum requirement shall be reduced to twenty-five (25%) percent of the Co-owners in number who are entitled to vote, except for voting on questions specifically provided herein to require a greater quorum.

**Section 7. Consent of 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 is 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 8. Minutes.** 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

### BOARD OF DIRECTORS

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

**Section 2. Size, Terms of Office.** The Board of Directors shall be composed of five (5) persons who shall manage the affairs of the corporation. Directors shall serve without compensation. Directors shall serve until their successors take office. The term of office for each Director shall be two (2) years. In order to continue the staggered terms of office, at the first annual meeting after adoption of these Bylaws, two co-owners shall be elected to two-year terms. At the second annual meeting after the adoption of these Bylaws, three directors shall be elected to two-year terms. Thereafter all terms shall be two years in length.

**Section 3. Powers and Duties.** The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners. To the extent that the Condominium Documents or the Act vest a power in the Board of Directors, such a power shall be exclusively vested in the Board and may not be exercised or assumed by the co-owners (unless the Condominium Documents, the Act or other applicable law expressly require that the co-owners have a right to exercise or assume such a power).

In addition to the foregoing general powers and duties imposed by these Bylaws, or any further powers and duties which may be imposed by resolution of the members of the Association or which may be set forth in the Association Bylaws, the Board of Directors shall be responsible specifically for the following:

(a) To manage and administer the affairs of and maintenance of the Condominium Project and the Common Elements thereof, all to the extent set forth in the Amended and Restated Master Deed, or elsewhere in the Condominium Documents.

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

(c) To carry insurance and collect and allocate the proceeds thereof in the manner set forth in Article IV hereof.

(d) To rebuild improvements after casualty, subject to the terms hereof.

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

(f) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses on behalf of the Association in furtherance of any of the purposes of the Association, including (but without limitation) the lease or purchase of any Unit in the Condominium for use by a resident manager.

(g) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of more than sixty (60%) percent of all of the members of the Association in number and in value.

(h) To make rules and regulations in accordance with Article VI, Section 9 of these Bylaws.

(i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees, or any specific Officers or Directors of the Association any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.

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

(k) The Board of Directors may employ for the Association a professional management agent at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed above, and the Board may delegate to such management agent any other duties or powers

which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association.

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

**Section 5. Recall; Automatic Resignation.** At any regular or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by affirmative vote of at least fifty-one (51%) percent in number of the entire membership and a successor may then and there be elected to fill any vacancy thus created. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. Any Director who shall fail to attend any five (5) consecutive regular meetings of the Board shall be deemed to have automatically resigned effective as of the adjournment of the fifth meeting missed. Upon such resignation, a successor shall be appointed by the remaining members of the Board as if a vacancy had been created through resignation as provided in Section 4 above.

**Section 6. First Meetings of Board.** The first meeting of a newly elected Board of Directors shall be held at the next Regular meeting of the Board, but in no event shall the meeting be held more than thirty (30) days from the date of election. Notice of the meeting shall be given to the Directors as prescribed in Section 7 of this Article X. The purpose of this meeting shall be the election of officers and such other matters as might come before the Board at a Regular meeting

**Section 7. Regular Board Meetings.** Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, fax, telephone or email, at least ten (10) days prior to the date named for such meeting. Directors may vote electronically (email or text) and if all Directors concur in doing so the vote shall have the same effect as if a meeting had been physically held. Directors may also participate in meetings via conference call or other means of remote communication by which all persons can communicate with each other.

**Section 8. Special Board Meetings.** Special meetings of the Board of Directors may be called by the President on three (3) calendar days' notice to each Director, given personally, by mail, fax, telephone or email, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of one Director. Directors may vote electronically (email or text) and if all Directors concur in doing so the vote shall have the same effect as if a meeting had been physically held. Directors may also participate in meetings via conference call or other means of remote communication by which all persons can communicate

with each other.

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

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

**Section 11. Fidelity Bonds; Employee Dishonesty Insurance.** The Board of Directors shall require that all directors, officers, agents and employees of the Association handling or responsible for Association funds shall be covered by adequate fidelity bonds and/or employee dishonesty insurance purchased by the Association. The premiums on such bonds and insurance shall be expenses of administration. Such bonds or insurance shall not be less than the amount of the reserve funds plus a sum equal to three month's aggregate assessments on all Units.

**Section 12. Executive Sessions.** The Board of Directors may, in its discretion, close a portion or all of any meeting of the Board of Directors to the members of the Association or may permit members of the Association to attend a portion or all of any meeting of the Board of Directors. Any member of the Association shall have the right to inspect, and make copies of the final, approved minutes of the meetings of the Board of Directors; provided, however, that no member of the Association shall be entitled to review or copy any minutes which reference privileged communications between the Board of Directors and counsel for the Association, or any other matter to which a privilege against disclosure pertains under Michigan Statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules.

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

## ARTICLE XI

### OFFICERS

**Section 1. Officers; Compensation Prohibited.** The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be members of the Board of Directors. The Directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices except President and Vice President may be held by one person. Officers shall not be compensated for their services as officers but may be reimbursed for reasonable out-of-pocket expenses.

**Section 2. Election.** The officers of the Association shall be appointed 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/her successor appointed at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

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

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

**Section 6. Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of the meetings of the members of the Association; he/she shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and he/she shall, in general, perform all duties incident to the office of the Secretary. The Secretary, or, in the absence or disability of the Secretary, the Treasurer, shall sign the minutes upon approval. Any Co-owner shall be entitled to obtain a copy of the approved and signed minutes except minutes of executive sessions of the Board; the Association shall have the right to require advance payment of the reasonable cost of providing requested copies of minutes.

**Section 7. Treasurer.** The Treasurer shall have responsibility for the Association

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funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositaries as may, from time to time, be designated by the Board of Directors. The Treasurer shall review and oversee payment of all invoices. The Treasurer shall monitor the reserve funds of the Association and consult with the Board as necessary concerning such funds. All decisions concerning reserve funds shall be made by the Board and shall not be delegated to any third party. Withdrawals from reserve funds shall be approved in advance by signature of at least one director if payable to the Association; if payable to any other party the signature of at least two directors shall be required. Reserve funds shall be used only for such purposes as are permitted under Michigan law. 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 depositaries as may, from time to time, be designated by the Board of Directors.

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

## ARTICLE XII

### FINANCE

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

**Section 2. Fiscal Year.** The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Board of Directors. Absent such determination by the Board of Directors, the fiscal year of the Association shall be the calendar year. The commencement date of the fiscal year shall be subject to change by the directors for accounting reasons or other good cause.

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

### ARTICLE XIII

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

**Section 1. Indemnification of Directors and Officers.** The Association shall indemnify any person who was or is party or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, other than an action by or in the right of the Association, by reason of the fact that he or she is or was a Director, Officer, or employee of the Association, against expenses, including attorneys' fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association or its members, was not guilty of willful and wanton misconduct or gross negligence and, with respect to a criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association or its members and, with respect to a criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful or was not guilty of willful and wanton misconduct or gross negligence; provided, however, that in the event of any claim for reimbursement or indemnification hereunder based upon settlement by the Director, Officer or other person seeking such reimbursement or indemnification, the indemnification provided for herein shall apply only if the Board of Directors (with the person seeking reimbursement or indemnification abstaining) approves such settlement and reimbursement or indemnification as being in the best interest of the Association. The foregoing right of reimbursement or indemnification shall be in addition to and not exclusive of other rights to which such Director, Officer or other person may be entitled. At least ten (10) days prior to payment of any reimbursement or indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof.

The Association shall indemnify any person who was or is party or is threatened to be made a party to a threatened, pending or completed action or suit in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a Director, Officer, or employee of the Association, against expenses, including attorneys' fees and amounts

paid in settlement actually and reasonably incurred by him or her in connection with the action or suit, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association or its members and was not guilty of willful and wanton misconduct or gross negligence. Indemnification shall not be made for a claim, issue or matter in which the person has been found to be liable to the Association except as provided in Section 564c of the Business Corporation Act.

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

#### ARTICLE XIV

#### COMPLIANCE

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

In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern.

#### ARTICLE XV

#### DEFINITIONS

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

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## ARTICLE XVI

### AMENDMENTS

**Section 1. Proposal.** Amendments to these Bylaws may only be proposed as follows:

(a) By the Board of Directors of the Association acting upon the vote of the majority of the directors; or

(b) In a written instrument signed by one-third (1/3) in number of all of the Co-owners of the Condominium.

The Association shall be required to provide prior written notice to all of the Co-owners of the Condominium of the text of any and all proposed amendments to these Bylaws before a vote of the membership may be held on the amendments.

**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 sixty-seven (67%) percent of all Co-owners, in number and in value, and fifty-one percent (51%) of the eligible holders of first mortgages for material amendments which establish, provide for, govern or regulate any of the following:

- (a) Voting;
- (b) Assessments, assessment liens or subordination of such liens;
- (c) Reserves for maintenance, repair and replacement of the Common Elements;
- (d) Insurance or fidelity bonds;
- (e) Rights to use of the Common Elements;
- (f) Responsibility for maintenance and repair of the several portions of the Condominium;
- (g) Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium;
- (h) Boundaries of any Condominium Unit;
- (i) The interests in the General or Limited Common Elements;

(j) Convertibility of Condominium Units into Common Elements or of Common Elements into Condominium Units;

(k) Leasing of Condominium Units;

(l) Imposition of any right of first refusal or similar restriction on the right of a Condominium Unit owner to sell, transfer or otherwise convey his or her Condominium Unit;

(m) Establishment of self-management by the Association where professional management has been required by any of the agencies or corporations.

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

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

## ARTICLE XVII

### REMEDIES FOR DEFAULT

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

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

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

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claim, counterclaim or other matter from the Co-owner asserting the claim, counterclaim or other matter.

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

(d) **Assessment of Fines.** The violation by any Co-owner, non-co-occupant or guest of any of the 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, of monetary fines against the involved Co-owner. Such Co-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 Co-owner to the Condominium Premises. Nothing in this Article shall be construed as to prevent the Association from pursuing any other remedy under the Condominium Documents and/or the Act for such violations, or from combining a fine with any other remedy or requirement to redress any violation.

(i) **Notice of Violation; Hearing.** 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 Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-owner at the address as shown in the notice required to be filed with the Association pursuant to these Bylaws. The notice shall set forth the date (no less than ten (10) days from the date of the notice), time and place for a hearing before the Board of Directors at which the Co-owner shall have the right to appear and offer evidence in defense of the alleged violation. The Board shall issue a written notice of its determination to the Co-owner within ten (10) days after the hearing and, upon finding that a violation has occurred, the Board of Directors may levy a fine in accordance with the following subsection.

(ii) **Decision.** Upon appearance by the Co-owner before the Board and presentation of evidence of defense; or, in the event of the Co-owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

(iii) **Default.** Failure to respond to the notice of violation within thirty (30) days or to appear for a hearing before the Board about the violation shall constitute a default.

(iv) **Fine Schedule.** Upon a determination that a material violation of any of the provisions of the condominium documents has occurred, the following fines may be levied:

1 <sup>st</sup> Violation	No fine shall be levied unless the Board determines that the nature of the violation is such as to be best deterred if a fine is imposed for a first violation.
2 <sup>nd</sup> Violation	\$25.00 fine
3 <sup>rd</sup> Violation	\$50.00 fine
4 <sup>th</sup> & Subsequent Violations	\$100.00 fine

The Board of Directors, without the necessity of an amendment to these Bylaws, may make such changes in said fines or adopt alternative fines, including the indexing of such fines to the rate of inflation, in accordance with duly adopted Rules and Regulations promulgated in accordance with Article VI, Section 9 of these Bylaws.

For purposes of this Article, the number of a violation (i.e., First, Second, Third, etc.) is determined with respect to the number of times that a Co-owner violates the same provision of the Condominium Documents for as long as that Co-owner may be an owner of a Unit or an occupant in the Project, and is not based upon time or violations of entirely different provisions.

For any violations that are in the nature of continuing violations, the Board may, in its discretion, levy a fine against the Co-owner in the amount of \$10.00 per day. Such fines shall accrue from the day after the date on which the Association mails written notice of the continuing violation to the offending Co-owner until such time as the violation is cured. If the continuing violation is upheld at the Board hearing concerning the violation that takes place under Section 1 (d) (i) of this Article, all fines levied against the Co-owner for the continuing violation shall then be added to the Co-owner's account and shall be due and payable on the first day of the following month along with the co-owner's assessment amount, and shall be collected from the Co-owner in the same manner as unpaid assessments pursuant to Article II hereof.

(v) **Collection.** The fines levied pursuant to Section (d) (iv) above shall be assessed against the Co-owner and shall be due and payable together with the regular Condominium assessment on the first day of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitations, those described in Article II and Article XVII of these Bylaws.

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

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

## **ARTICLE XVIII**

### **SEVERABILITY**

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

## **ARTICLE XIX**

### **CONFLICTS**

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

## **ARTICLE XX**

### **FAIR HOUSING COMPLIANCE**

The Association neither participates in conduct that constitutes unlawful housing discrimination based upon race, color, national origin, religion, sex, disability, familial status (including children under the ages of eighteen (18) living with parents or legal custodians, pregnant women, and people securing custody of children under the age of eighteen (18)), and disability, nor enforces any of the provisions in the Condominium Documents in such a manner that would violate the Fair Housing Act protections against such discriminatory conduct. The

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Association makes reasonable accommodations in its policies and procedures and permits reasonable modifications of the Condominium premises where necessary or appropriate to comply with Fair Housing laws.