CO-OWNER INFORMATION BOOKLET

FOR

THE SANCTUARY IN THE HILLS

A RESIDENTIAL CONDOMINIUM LOCATED IN THE CITY OF ROCHESTER OAKLAND COUNTY, MICHIGAN

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AMENDED AND RESTATED MASTER DEED OF THE SANCTUARY IN THE HILLS (ACT 59, PUBLIC ACTS OF 1978, AS AMENDED) OAKLAND COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 1426

This Amended and Restated Master Deed of The Sanctuary in the Hills is made and executed this 20th day of March, 2018, by The Sanctuary in the Hills Condominium Association, a Michigan nonprofit corporation (the "Association"), in accordance with the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended) (the "Condominium Act").

The Association desires by recording this Amended and Restated Master Deed to reaffirm the establishment of the real property described in Article II of this Amended and Restated Master Deed, together with all the improvements now located upon or appurtenant to such real property, as a residential condominium project under the Condominium Act. The original Master Deed for The Sanctuary in the Hills, recorded in Liber 25153, Pages 426 et seq., along with the First Amendment recorded in Liber 25414, Pages 660 et seq., the Second Amendment recorded in Liber 26687, Pages 274 et seq., the Third Amendment recorded in Liber 27361, Pages 1 et seq., the Fourth Amendment recorded in Liber 30452, Pages 639 et seq., the Fifth Amendment recorded in Liber 31664, Pages 651 et seq., the Sixth Amendment recorded in Liber 32955, Pages 644 et seq., the Seventh Amendment recorded in Liber 34060, Pages 438 et seq., the Eighth Amendment recorded in Liber 34945, Pages 637 et seq., the Ninth Amendment recorded in Liber 35787, Pages 360 et seq., the Tenth Amendment recorded in Liber 40122, Pages 810 et seq., and the Eleventh Amendment recorded in Liber 44534, Pages 736 et seq., Oakland County Records, are superseded by this Amended and Restated Master Deed of The Sanctuary in the Hills (except for the Condominium Subdivision Plan (defined below) attached to the original Master Deed as Exhibit B and as subsequently amended).

The Association, upon the recording of this Amended and Restated Master Deed, reaffirms the establishment of The Sanctuary in the Hills as a Condominium under the Condominium Act and declares that The Sanctuary in the Hills (the "Condominium") shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the Condominium Act, and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Amended and Restated Master Deed and Exhibits A and B applicable to this Amended and Restated Master Deed, all of which run with the real property described in Article II of this Amended and Restated Master Deed and are a burden and a benefit to the Association, its successors and assigns, and any persons acquiring or owning an interest in such real property, their grantees, successors, heirs, executors,

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administrators and assigns. In furtherance of the establishment of the Condominium, it is provided as follows:

ARTICLE I TITLE AND NATURE

- Section 1. <u>Condominium Name and Subdivision Plan Number</u>. The Condominium is known as The Sanctuary in the Hills, Oakland County Condominium Subdivision Plan No. 1426. The Condominium is established in accordance with the Condominium Act.
- Section 2. <u>Units and Co-owner Rights of Access to Common Elements</u>. The Units contained in the Condominium, including the number, boundaries and dimensions of each Unit, are set forth in the Condominium Subdivision Plan. Each Unit is capable of individual utilization access to a Common Element. Each Co-owner has an exclusive right to their Unit and has an undivided and inseparable rights to share with the other Co-owners the Common Elements designated by this Amended and Restated Master Deed.
- Section 3. <u>Voting</u>. Co-owners have voting rights in The Sanctuary in the Hills Condominium Association as set forth in this Amended and Restated Master Deed, in the Amended and Restated Bylaws, and in the Association's Articles of Incorporation.

ARTICLE II LEGAL DESCRIPTION

The land that comprises the Condominium covered by this Amended and Restated Master Deed, which is located in the City of Rochester, Oakland County, Michigan, is particularly described as follows:

Part of the West ½ of the Southeast ¼ of Section 32, T.3N., R11E., City of Rochester Hills, Oakland County, Michigan being described as: Commencing at the South Quarter corner of Section 32; thence along the South line of Section 32, also being the centerline of South Boulevard N.89°42′52″E. 1215.37 feet; thence the following 3 course along the West line of Sanctuary Boulevard (width variable) 1. N.02°41′54″W. 310.68 feet; 2. N.20°26′34″E. 106.87 feet; 3. N.02°41′54″W. 41.56 feet to the Point of Beginning; thence N.44°29′24″W. 622.54 feet; thence N.31°29′24″W. 300.66 feet; thence N.02°19′24″W. 381.09 feet; thence N. 39°44′24″W. 199.51 feet; thence N.70°04′24″W. 247.52 feet; thence N.28°19′24″W. 246.84 feet; thence N.66°27′02″W. 334.82 feet; thence S.83°11′50″W. 54.94 feet to the North-South ¼ line of Section 32; thence N.06°49′01″W. 476.41 feet along the North-South ¼ line of Section 32 to the Center of Section 32; thence N.88°34′51″E. 1402.26 feet along the East-West ¼ line of Section 32 to the West line of Sanctuary Boulevard (66.00 feet wide); thence S.02°41′54″E. 2173.77 feet to the Point of Beginning. Containing 37.37 acres, more or less.

ARTICLE III DEFINITIONS

- Section 1. General Description of Terms Used. Certain terms are utilized not only in this Amended and Restated Master Deed and Exhibits A and B but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation and rules and regulations of The Sanctuary in the Hills Condominium Association, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment or transfer of interests in The Sanctuary in the Hills. Wherever used in these documents or any other pertinent instruments, the terms set forth below are defined as follows:
- A. The "Act" or "Condominium Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended. If any provision of this Amended and Restated Master Deed or its exhibits conflicts with any provision of the Condominium Act, or if any provision required by the Condominium Act is omitted, then the Condominium Act provisions are incorporated by reference and shall supersede and cancel any conflicting provision.
- B. "Amended and Restated Bylaws" or "Bylaws" means Exhibit A attached to this Amended and Restated Master Deed, being the Bylaws setting forth the substantive rights and obligations of the Co-owners. The Amended and Restated Bylaws also constitute the Association's corporate bylaws under the Michigan Nonprofit Corporation Act.
- C. "Amended and Restated Master Deed" means this document, and to which the Amended and Restated Bylaws are attached as Exhibit A, and the Condominium Subdivision Plan is made applicable as Exhibit B.
- D. "Association" means The Sanctuary in the Hills Condominium Association, a nonprofit corporation organized under Michigan law of which all Co-owners are members. The Association shall administer, operate, manage and maintain the Condominium in accordance with all applicable laws and the Condominium Documents (defined below). Any action required of or permitted to the Association is exercisable by its Board of Directors unless specifically reserved to the Co-owners by the Condominium Documents or Michigan law.
- E. "Common Elements" where used without modification means both the General and Limited Common Elements described in Article IV of this Amended and Restated Master Deed, and does not refer to Units.
- F. "Condominium Documents" means and includes this Amended and Restated Master Deed, the Amended and Restated Condominium Bylaws, the Condominium Subdivision Plan, the Association's Articles of Incorporation, and the rules and regulations of the Association including, but not limited to, the Board-adopted document entitled "Community Policies & Coowner Responsibilities."
- G. "Condominium" means The Sanctuary in the Hills as a Condominium established in conformity with the provisions of the Condominium Act.

- H. "Condominium Subdivision Plan" means the Condominium Subdivision Plan attached to the original Master Deed as Exhibit B and as subsequently amended, which is incorporated and made applicable by reference.
- I. "Co-owner" means an individual, firm, corporation, limited liability company, partnership, association, trust or other legal entity or any combination of the foregoing who or which owns one or more Units. Both land contract vendees and vendors are considered Co-owners and are jointly and severally liable for all obligations and responsibilities of Co-owners under the Condominium Documents and the Condominium Act.
- J. "Percentage of Value" means the percentage assigned to each Unit in Article VI of this Amended and Restated Master Deed. The percentages of value of all Units total one hundred percent (100%). Percentages of value are determinative only with respect to those matters to which they are specifically deemed to relate either in the Condominium Documents or in the Condominium Act.
- K. "Person" means an individual, firm, corporation, limited liability company, partnership, association, trust, or other legal entity, or any combination of the foregoing.
- L. "Record" means to record pursuant to the laws of the State of Michigan relating to the recording of deeds.
- M. "Record" means to record pursuant to the laws of the State of Michigan relating to the recording of deeds.
- N. "Unit" means a single Unit in The Sanctuary in the Hills, as described in Article VI of this Amended and Restated Master Deed and on the Condominium Subdivision Plan, and shall have the same meaning as the term "Condominium Unit" as defined in the Condominium Act.
- **Section 2.** <u>Number and Gender of Words</u>. Whenever any reference is made to one gender, the same shall include a reference to all genders where the same would be appropriate. Similarly, whenever a reference is made to the singular, a reference shall also be included to the plural where the same would be appropriate.

ARTICLE IV COMMON ELEMENTS

- **Section 1.** <u>Common Elements.</u> The Common Elements are described in the Condominium Subdivision Plan and as follows:
 - A. General Common Elements. The General Common Elements are:
- (1) <u>Land</u>. The land described in Article II of this Amended and Restated Master Deed, including wetland areas, lawn, berms, entrance features, cul-de-sacs and roads, all to the extent not designated as Limited Common Elements;

- (2) Entrance Sign. The entrance sign located within the median island and land described in the Sanctuary Boulevard Deed, and the electrical fixtures that illuminate the entrance sign;
- (3) <u>Entrance Landscaping</u>. The landscaping improvements, irrigation system, lamppost, and the water and electrical meters serving these items located within the median island and land described in the Sanctuary Boulevard Deed;
- (4) <u>Condominium Landscaping</u>. The landscape improvements located throughout the Condominium consisting of ornamental bushes, grasses, trees and annual flowers planted by the developer or the Association, or planted by the Co-owners to the extent the Association has approved such plantings;
- (5) <u>Electrical</u>. The electrical meters and wiring located within the land described in the Sanctuary Boulevard Deed, and the electrical meters and wiring network throughout the Condominium up to the point of connection with the electrical meter for each Unit;
- (6) <u>Common Street Lighting System</u>. The common street lighting system, serving the Condominium, which consists of the lamp post stands, lighting lamps and related wiring and equipment;
- (7) <u>Telecommunications</u>. The telecommunications systems, which include telephone, cable, broad band cable and the like, located throughout the Condominium up to the point of entry to a Unit;
- (8) <u>Gas.</u> The gas meters and gas distribution system throughout the Condominium up to the point of connection with the gas meter for each Unit;
- (9) <u>Water</u>. The water meters and water distribution system throughout the Condominium up to the point of connection with the water meter for each Unit;
- (10) <u>Irrigation System</u>. The irrigation system throughout the Condominium, including all lines, valves, timers, heads and related equipment;
- (11) <u>Sanitary Sewer</u>. The sanitary sewer system throughout the Condominium up to the point of entry to the Unit it serves;
- (12) <u>Storm Sewer</u>. The storm drainage system throughout the Condominium, including the detention basin and the fountain located within the detention pond and all related facilities and equipment, which detention basin the Association will maintain pursuant to the terms of an Agreement for Maintenance of Storm Water Detention System between The Sanctuary in the Hills, L.L.C., and the City of Rochester Hills;
- (13) <u>Mailbox Stands</u>. The mailbox stands located throughout the Condominium;

- (14) <u>Sump Pump Leads</u>. The sump pump leads that drain water from the sump pump within each Unit into the storm sewer system;
- (15) Other. All other elements and improvements contained within or appurtenant to the Condominium, which are not designated as General or Limited Common Elements, which are not enclosed within the boundaries of a Unit and which are intended for common use or are necessary to the existence, upkeep and safety of the Condominium.

Some or all of the utility lines, systems (including mains and service leads) and equipment described above ("utility systems") may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, the utility systems are General Common Elements only to the extent of the Co-owners' interest in the utility systems, if any.

Some or all of the utility systems service single buildings containing more than one Unit. Accordingly, and where necessary or applicable, there shall be an easement for that Common Element through each Unit to enable the utility systems to appropriately serve each of the Units in the subject building.

- B. <u>Limited Common Elements</u>. Limited Common Elements are subject to the exclusive use and enjoyment of the Co-owner of the Unit to which the Limited Common Elements serve. The Limited Common Elements follow:
- (1) <u>Electrical</u>. The electrical wiring network contained within any portion of the Common Elements or, if applicable, an adjacent Co-owner's Unit, commencing with the electrical meter for the Unit and, if applicable, continuing through an adjacent Unit, up to the point of connection with electrical fixtures, plugs and switches outside of the Unit, is limited in use to the Co-owner of the Unit to which such electrical wiring network is appurtenant;
- (2) <u>Electrical Fixtures</u>. All electrical fixtures including, without limitation, outdoor lighting fixtures serving any porch, deck or garage, as well as all plugs, switches, fuse boxes or circuit breaker control panels, and any other similar item connected to the electrical system of a Unit located outside of the boundaries of the Unit, are limited in use to the Co-owner of the Unit to which such electrical fixtures are appurtenant;
- (3) <u>Gas.</u> The gas line network contained within any portion of the Common Elements commencing with the gas meter for the Unit up to the point of connection with gas fixtures outside of the Unit, is limited in use to the Co-owner of the Unit to which such gas line network is appurtenant;
- (4) <u>Gas Fixtures</u>. The gas fixtures connected to the gas line network after the point of connection to the gas meter located outside of the boundaries of the Unit, are limited in use to the Co-owner of the Unit to which such gas fixtures are appurtenant;
- (5) <u>Water</u>. The water distribution system contained within any portion of the Common Elements commencing with the water meter for the Unit up to the point of connection

with plumbing fixtures outside of the Unit, is limited in use to the Co-owner of the Unit to which such water distribution system is appurtenant;

- (6) <u>Plumbing Fixtures</u>. All plumbing fixtures, but not including irrigation fixtures, which are located outside the boundaries of a Unit and connected to the water distribution system servicing the Unit, is limited in use to the Co-owner of the Unit to which such plumbing fixtures are appurtenant;
- (7) <u>Air-Conditioner Pad</u>. Each air-conditioner pad in the Condominium upon which sits the air-conditioner unit is limited in use to the Co-owner of the Unit to which such air-conditioner pad is appurtenant;
- (8) Exhaust Fan Vent Covers. Any exhaust fan vent covers located in any portion of the Common Elements is restricted in use to the Co-owner of the Unit to which such exhaust fan vent covers are appurtenant;
- (9) <u>Deck.</u> The deck area at the rear or side of each Unit as depicted on the Condominium Subdivision Plan is limited in use to the Co-owner of the Unit to which such deck is appurtenant;
- (10) <u>Porch</u>. Each porch as depicted on the Condominium Subdivision Plan is limited in use to the Co-owner of the Unit to which such porch is appurtenant;
- (11) <u>Walkways</u>. Each walkway from a porch to a driveway as depicted on the Condominium Subdivision Plan is limited in use to the Co-owner of the Unit to which such walkway is appurtenant;
- (12) <u>Driveways</u>. Each driveway as shown on the Condominium Subdivision Plan is limited in use to the Co-owner of the Unit to which such driveway is appurtenant; and
- (13) <u>Mailboxes</u>. Each mailbox contained on the General Common Element mailbox stands is limited in use to the Co-owner of the Unit for which such mailbox is appurtenant.
- Section 2. Responsibility for Unit and Common Elements. Subject to the Association's exclusive right and obligation to control and approve the exterior appearance and use of all Units and Common Elements as set out in this Amended and Restated Master Deed and in the Amended and Restated Bylaws, the respective responsibilities for the maintenance, decoration, repair and replacement of the Units and Common Elements are as follows:

A. <u>Co-owner Responsibilities:</u>

(1) <u>Unit and Certain Common Elements</u>. Except as provided in Section 2B below and subject to the Amended and Restated Bylaws, the primary responsibility for maintenance, decoration, repair and replacement, including all associated costs, of a Unit, including all fixtures, improvements and property located within the Unit and personal property

located elsewhere throughout the Condominium, the Limited Common Elements, and those General Common Elements described in this Section 2A(1), shall be borne by the Co-owner of the Unit. The following provisions add to and clarify, but do not limit, each Co-owner's decoration, maintenance, repair and replacement responsibilities under this Section 2A(1):

- (a) Unit foundations, supporting columns, beams, trusses, perimeter and interior walls, drywall, ceiling and floor construction, insulation, and chimneys;
- (b) Electrical lines, wires, outlets, switches, boxes, circuit breakers, panels and fixtures, regardless of whether these items are located within or outside of the Unit, from the point of connection with, and including, the electrical meter for the Unit;
- (c) Gas lines, pipes, valves and fixtures, regardless of whether these items are located within or outside of the Unit, from the point of connection with, and including, the gas meter for the Unit;
- (d) Water lines, pipes, valves and fixtures, regardless of whether these items are located within or outside of the Unit, from the point of connection with, and including, the water meter for the Unit;
- (e) Waste disposal system (including those portions of the sanitary sewer located below the Unit foundation or slab) up to the point immediately outside the vertical plane created by extension of the exterior wall;
- (f) Air-conditioner, its pad and other related equipment and accessories;
- (g) Windows, door-walls, Unit entry doors and interior doors, including their storms, screens, frames, locks, hardware, thresholds, sills and weather stripping; provided, that the Association will be responsible for the periodic exterior sanding, staining and sealing of the Unit entry doors in accordance with the Association's maintenance schedule;
- (h) Garage door including tracks, springs, opener, remote, and all related hardware and equipment; provided, that the Association will be responsible for the periodic painting of garage doors in accordance with the Association's maintenance schedule;
- (i) Patios and all improvements located on or related to the patios including steps, and regardless of whether the patio is composed of concrete, stamped concrete, brick pavers or stone blocks or tiles or other material;
- (j) Improvements and enhancements to the original standard specification porch steps and porches;
- (k) Covered deck screens and improvements and enhancements to the original standard specification covered decks;
- (l) Improvements and enhancements to the original standard specification exhaust fan vent covers;

- (m) Improvements and enhancements to the original standard specification walkways, as well as walkways leading from driveways to patios or covered decks;
 - (n) Co-owner-installed annual flowers;
- (o) Improvements and decorations to the Unit including, without limitation, interior walls, tile, either floor or wall, paint, wallpaper, window treatments, carpeting or other floor covering, trim, cabinets, counters, sinks and related hardware;
- (p) Appliances and equipment within the Unit and supporting hardware and equipment including, but not limited to, furnace and related ductwork, sump pumps, humidifier, air cleaner, any personal alarm system, garbage disposal, dishwasher, microwave, range, oven, refrigerator, vent fans and related ductwork, dryer venting, vent filters, hot water heaters, fireplaces, flues and dampers; and
- (q) All other items not specifically enumerated above, but which are located within the boundaries of a Unit.
- Co-owner Additions, Modifications. Co-owner improvements, additions or modifications, even though approved by the Board of Directors, are not considered Common Elements in any case and, except as the Board determines otherwise in writing, are the complete responsibility of the Co-owner. Should the Association require access to any Common Elements which necessitates the moving or destruction of all or part of any addition or modification, all costs, damages and expenses involved in providing access and restoring the addition or modification shall be assessed to and collected from the responsible Co-owner in the manner provided in Article II of the Amended and Restated Bylaws. Co-owners shall not alter, replace, remove, paint, decorate or change the exterior of a Unit or any exterior appendage including, without limitation, decks, patios, porches, air conditioning units, windows and Unit entry doors, whether exclusively used by the Co-owner or otherwise, without first obtaining the Board's prior written consent pursuant to Article VI of the Amended and Restated Bylaws.
- (3) <u>Co-owner Fault</u>. Subject to the provisions of Article VI, Section 14 of the Amended and Restated Bylaws, all costs for maintenance, decoration, repair and replacement of any Common Element caused by the intentional or unintentional act of any Co-owner, or family, guests, tenants or invitees of a Co-owner, shall be borne by the Co-owner. The Association may incur these costs and charge and collect them from the responsible Co-owner in the same manner as an assessment in accordance with Article II of the Amended and Restated Bylaws.
- (4) Repair to Association Specifications. All maintenance, repair and replacement obligations of the Co-owners as described above and as provided in the Amended and Restated Bylaws shall be performed subject to the Association's mandatory prior written approval and control with respect to color, style, timing, material and appearance. Further, all maintenance, repair and replacement shall be performed in compliance with all applicable municipal, State and federal codes and regulations.

B. Association Responsibilities:

- (1) <u>Portions of Units and Limited Common Elements</u>. Except in cases of Coowner fault, the Association shall be responsible for the following:
- (a) <u>Snow Removal from Driveways, Porches and Walkways</u>. The Association is responsible for snow plowing the driveways, front porches (including enhanced or improved front porches), front porch steps, and walkways located between the driveways and the front porches.
- (b) <u>Unit Siding, Roofs, Gutters and Downspouts</u>. The Association is responsible for maintaining, repair and replacing Unit brick and vinyl siding, including any necessary house-wrap, exterior trim, Unit roofs consisting of decking, flashing, underlayment, roof venting and shingles, and Unit gutters and downspouts, and the costs shall be an expense of administration.
- (c) Exterior Painting of Garage Doors and Exterior Sanding, Staining and Sealing of Unit Entry Doors. The Association is responsible for (i) the periodic painting of garage doors, and (ii) the periodic exterior sanding, staining and sealing of Unit entry doors, all in accordance with the Association's maintenance schedule.
- (d) <u>Exhaust Vent Covers</u>. The Association is responsible for maintaining, repairing and replacing the original standard specification exhaust vent covers described in Section 1B(8) above, and the costs shall be an expense of administration. The Association shall not be responsible for maintaining, repairing or replacing any improvements or enhancements to the original standard specification exhaust vent covers.
- (e) <u>Covered Decks</u>. The Association is responsible for maintaining, repairing and replacing the original standard specification covered decks located within the deck areas described in Section 1B(9) above, which original standard specification covered decks consist of beams, posts, joists, decking, steps and roofs, and the costs shall be an expense of administration. The Association shall not be responsible for maintaining, repairing or replacing any covered deck screens or improvements or enhancements to the original standard specification covered decks.
- (f) <u>Porch Steps and Porches</u>. The Association is responsible for maintaining, repairing and replacing the original standard specification porch steps and porches described in Section 1B(10) above, which original standard specification porches consist of a concrete stoop, and the costs shall be an expense of administration. The Association shall not be responsible for maintaining, repairing or replacing any improvements or enhancements to the original standard specification porch steps or porches.
- (g) <u>Walkways</u>. The Association is responsible for maintaining, repairing and replacing the original standard specification walkways described in Section 1B(11) above, which original standard specification walkways consist of a concrete walkway, and the costs shall be an expense of administration. The Association shall not be responsible for

maintaining, repairing or replacing any improvements or enhancements to the original standard specification walkways.

- (h) <u>Driveways</u>. The Association is responsible for maintaining, repairing and replacing the driveways described in Section 1B(12) above, and the costs shall be an expense of administration.
- (i) <u>Mailboxes</u>. The Association is responsible for maintaining, repairing and replacing the mailboxes described in Section 1B(13) above, and the costs shall be an expense of administration.
- above, the Association is responsible for maintaining, repairing, removing and replacing all existing and/or Co-owner-installed and Association-approved ornamental bushes, grasses and trees (but not Co-owner installed annual flowers, which is a Co-owner responsibility). The timing, scope and necessity of all Co-owner-installed and Association-approved landscape maintenance, repair, removal and replacement is in the Association's sole discretion, and in no event shall these provisions be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.
- (2) <u>General Common Elements</u>. Subject to the provisions of this Article and the Amended and Restated Bylaws, and except as otherwise assigned to the Co-owners in subsection 2A above, the Association shall be responsible for maintaining, repairing and replacing all of the General Common Elements, including those items described in the Sanctuary Boulevard Deed, and the costs shall be an expense of administration.
- (3) <u>Unauthorized Repair</u>. The Association shall not be obligated to reimburse any Co-owner for repairs made or contracted for by the Co-owner. Unless otherwise determined by the Board of Directors, the Association shall only be responsible for payments to contractors for work authorized by the Board of Directors or by a management company hired by the Association.
- C. <u>Utility Charges</u>. All individually metered utility services shall be borne by the Co-owner of the Unit to which such services are furnished. All commonly metered utilities shall be paid by the Association as an expense of administration.
- D. <u>Unusual Expenses</u>. Any other unusual common expenses benefiting less than all the Units, or any expenses incurred as a result of the conduct of less than all of those entitled to occupy the Condominium, or by their licensees or invitees, shall be specifically assessed against the Unit or Units involved in accordance with Section 69 of the Condominium Act.

ARTICLE V USE OF UNITS AND COMMON ELEMENTS

No Co-owner shall use their Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium, the Condominium Documents, zoning and other ordinances of the City of Rochester, State and Federal laws and regulations, or in any manner

which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of their Unit or the Common Elements.

ARTICLE VI UNIT DESCRIPTION AND PERCENTAGE OF VALUE

- Section 1. <u>Unit Description</u>. The Condominium consists of 104 Units, numbered 1 through 104. Each Unit is described in this Section with reference to the Condominium Subdivision Plan of The Sanctuary in the Hills as prepared by Fenn & Associates Surveying, Inc. Each Unit shall include all that space contained within the space measured from the exterior surfaces of the Unit, all as shown on the floor plans and sections in the Condominium Subdivision Plan and delineated with heavy outlines. The Units includes foundation, supporting columns, beams, perimeter walls (including windows, doors, doorwalls and garage doors), trusses, roof boards, ceilings, floor construction, chimneys and other structural elements, and all the rights of the Co-owner in and to any party-wall between the Co-owner's Unit and any adjacent Unit. The unit also includes all exterior finishes such as bricks, siding, trim, gutters, downspouts, pipes vents and shingles.
- Section 2. <u>Calculation of Percentage of Value</u>. The percentage of value assigned to each Unit shall be determinative of the proportionate share of each Co-owner in the common proceeds and common expenses of administration (subject to the assignment of costs and expenses as reflected in Article IV of this Amended and Restated Master Deed and Article II of the Bylaws), the value of each Co-owner's vote at meetings of the Association, and the undivided interests of each Co-owner in the Common Elements. The total percentage value of the Condominium is one hundred percent (100%). The percentages of value assigned to each Unit are equal.

ARTICLE VII EASEMENTS

Section 1. Easements for Encroachment, Utilities and Support.

- A. If any Unit or Common Element encroaches upon another Unit or Common Element, whether by deviation from the plans in the construction, repair, renovation, restoration, or replacement of any improvement, or by reason of the settling or shifting of any land or improvement, a valid easement for the encroachment shall exist, except to the extent limited by Section 40 of the Condominium Act.
- B. There are easements to, through and over those portions of the land, structures, buildings, improvements and walls contained therein for the installation, maintenance and servicing of all utilities in the Condominium, including, but not limited to, lighting, heating, power, sewer, water and communications including telephone, cable television and internet lines.
- C. Easements of support shall exist with respect to any Unit wall that supports a Common Element.

Section 2. Association's Right to Grant Easements. The Association's Board of Directors may grant easements and licenses over or through any portion of any General Common Elements for utility, roadway, construction, safety purposes, or for any other purpose as may be beneficial to the Condominium. The Association further has the right to dedicate all streets and all utilities and utility easements located within the Condominium to the public for such consideration as the Board of Directors shall determine in its discretion.

Association's and Utility Companies' Easements for Maintenance, Repair Section 3. and Replacement. The Association and all public or private utilities shall have easements over, under, across and through the Condominium, including all Units and Common Elements, as may be necessary to fulfill any responsibilities of maintenance, repair, decoration, replacement or upkeep which they or any of them are required or permitted to perform under the Condominium Documents or by law, or to respond to any emergency or common need of the Condominium. It is a matter of concern that a Co-owner may fail to properly maintain their Unit or any Common Elements for which the Co-owner is responsible in a proper manner and in accordance with the standards set forth in the Condominium Documents. Therefore, if a Co-owner fails to properly and adequately maintain, decorate, repair, replace or otherwise keep in good condition and repair their Unit or any improvements or appurtenances located within the Unit or any Common Elements for which the Co-owner is responsible, the Association shall have the right (but not the obligation) and all necessary easements to take whatever actions it deems desirable to so maintain, decorate, repair or replace the Unit, its appurtenances or any of the Common Elements for which the Co-owner is responsible, all at the expense of the Co-owner of the Unit. The Association shall not be liable to the Co-owner of any Unit or any other person in trespass or in any other form of action for the exercise of rights pursuant to the provisions of this Section or any other provision of the Condominium Documents that grant easements, rights of entry or other means of access. Failure of the Association to take any action shall not be deemed a waiver of the Association's right to take any action at a future time. All costs incurred by the Association in performing any Co-owner-responsibilities as set forth in this Section shall be assessed against such Co-owner in accordance with Article II of the Amended and Restated Bylaws and shall be immediately due and payable. Further, the lien for nonpayment shall attach as in all cases of regular assessments, and the assessments may be enforced using all means available to the Association under the Condominium Documents and by law for the collection of regular assessments including, without limitation, legal action, foreclosure of the lien securing payment and imposition of fines.

Section 4. Sanctuary Boulevard Deed. The Condominium is benefited by and subject to the provisions set forth in the Sanctuary Boulevard Deed. Under the Sanctuary Boulevard Deed, the Association has a non-exclusive easement to install, maintain, repair and replace the landscaping, signage, lighting and other improvements located within the entryway median located on Sanctuary Boulevard.

ARTICLE VIII PARTY-WALL

Party walls exist between Units. The limit of ownership of each Unit ends at the centerline of each party-wall. Except as provided in Article V of the Amended and Restated Bylaws, the Co-owners on either side of a party-wall shall be jointly responsible for, and equally

share the cost of, the maintenance, repair and replacement of the party-wall located between their respective Units.

ARTICLE IX AMENDMENTS

This Amended and Restated Master Deed, the Amended and Restated Bylaws and the Condominium Subdivision Plan may be amended as provided in the Condominium Act and in the following manner, and shall be effective upon recordation with the Oakland County Register of Deeds:

- Section 1. <u>Association Amendments</u>. The Association acting through its Board of Directors may make and record amendments to this Amended and Restated Master Deed, the Condominium Bylaws or the Condominium Subdivision Plan without the consent of Co-owners or mortgagees if the amendment does not materially alter or change the rights of a Co-owner or mortgagee.
- Section 2. <u>Co-owner Approval</u>. Except as otherwise provided in this Amended and Restated Master Deed and subject to Sections 3 and 4 below, the Association may make and record amendments to this Amended and Restated Master Deed, the Condominium Bylaws or the Condominium Subdivision Plan upon the affirmative vote of two-thirds (2/3^{rds}) of the Coowners in good standing as of the date for such vote, which shall be the date that the acceptance of votes ends unless otherwise established by the Board of Directors.
- **Section 3.** Mortgagee Consent. Whenever a proposed amendment would materially alter or change the rights of mortgagees (as defined in Section 90a(9) of the Condominium Act), such amendment shall require the consent of not less than two-thirds (2/3^{rds}) of all first mortgagees of record. A mortgagee shall have one vote for each mortgage held. Mortgagee approval shall be solicited in accordance with Section 90a of the Condominium Act.
- Section 4. Modification of Units, Common Elements and Percentage of Value. Notwithstanding any other provision of this Article, the method or formula used to determine the percentages of value of Units, as described in Article VI of this Amended and Restated Master Deed, may not be modified without the consent of each affected Co-owner and mortgagee, except as permitted by the Condominium Act, as amended. A Co-owner's Unit dimensions or appurtenant Limited Common Elements may not be modified without the Co-owner's consent. The Condominium may be terminated only in accordance with Section 51 of the Condominium Act. Common Elements can be assigned and reassigned only in accordance with Section 39 of the Condominium Act. Units may be consolidated and boundaries relocated as provided in Sections 47 and 48 of the Condominium Act.
- Section 5. Amendments for Secondary Mortgage Market Purposes. The Association may amend this Amended and Restated Master Deed or the Amended and Restated Bylaws to facilitate mortgage loan financing for existing or prospective Co-owners and to enable the purchase or insurance of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veterans Administration, the Department of Housing and Urban Development, Michigan State

Housing Development Authority or by any other institutional participant in the secondary mortgage market which purchases or insures mortgages. The foregoing amendments may be made without the consent of Co-owners or mortgagees.

[SIGNATURE AND ACKNOWLEDGMENT ON FOLLOWING PAGE]

The Association has caused this Amended and Restated Master Deed to be executed the day and year first above written

	The Sanctuary in the Hills Condominium Association, a Michigan Nonprofit Corporation By: Name: Kadned P. Mende
	Title: President
STATE OF MICHIGAN)
) SS:
COUNTY OF OAKLAND)
Rodney P. Meyek, the Pre- Michigan Nonprofit Corporation, on b	acknowledged before me this 20 day of March, 2018 by esident of The Sanctuary in the Hills Condominium Association, a ehalf of the Corporation.
	CONTRACT TOWN
	Ossica Boback, Notary Public
	County, Michigan
	Acting in County, Michigan My Commission Funires, 102 (2007)
	My Commission Expires: \2-02-202\
Document drafted by and when record Stephen M. Guerra, Esq. Makower Abbate Guerra Wegner Voll 30140 Orchard Lake Rd. Farmington Hills, MI 48334	MOTARY PUBLIC, STATE OF MI

CERTIFICATION

	*
STATE OF MICHIGAN)) SS
COUNTY OF OAKLAND) 33
I, Holly Evans, being first duly sworn, depos	e and state as follows:
1. That I am the managing agent for I the corporation named in and which	executed the Amende

- nctuary in the Hills Condominium Association, ed the Amended and Restated Master Deed and Amended and Restated Condominium Bylaws of The Sanctuary in the Hills.
- 2. That the Amended and Restated Master Deed and Amended and Restated Condominium Bylaws of The Sanctuary in the Hills were submitted to all Co-owners of Units in The Sanctuary in the Hills for the purpose of voting on such documents, and that the Co-owners approved the documents by a vote of more than two-thirds of all Co-owners entitled to vote.

Acknowledged, subscribed and sworn to before me this 2 day of \,2018.

Notary Public County, Michigan

Acting in

My Commission Expires: \2-02-202\

JESSICA BOBACK NOTARY PUBLIC, STATE OF MI COUNTY OF WAYNE MY COMMISSION EXPIRES Dec 2, 2021 **ACTING IN COUNTY OF**

CERTIFICATION

STATE OF MICHIGAN)
) SS
COUNTY OF OAKLAND)

- I, Stephen M. Guerra, being first duly sworn, depose and state as follows:
 - 1. That I am the attorney for The Sanctuary in the Hills Condominium Association, the Corporation named in and which executed the attached Amended and Restated Master Deed and Amended and Restated Condominium Bylaws of The Sanctuary in the Hills.
 - 2. That I sent a copy of the attached Amended and Restated Master Deed and Amended and Restated Condominium Bylaws of The Sanctuary in the Hills and the ballot and notice required under Section 90A of the Michigan Condominium Act to all mortgagees of record of those Units qualified to vote, as listed in the records of the Oakland County Register of Deeds for the purpose of obtaining approval of said mortgagees to the Amended and Restated Master Deed and Amended and Restated Condominium Bylaws of The Sanctuary in the Hills.
 - 3. That two-thirds (2/3^{rds}) of said mortgages have consented to the attached Amended and Restated Master Deed and Amended and Restated Condominium Bylaws of The Sanctuary in the Hills in accordance with the provisions of Section 90A of the Michigan Condominium Act. Said consents will be maintained for a period of two years in The Sanctuary in the Hills Condominium Association records located in my office at 30140 Orchard Lake Rd., Farmington Hills, MI 48334.

Stephen M. Guerra

Acknowledged, subscribed and sworn to before me this 1st day of May, 2018.

Susan J. Merritt, Notary Public

Wayne County, Michigan Acting in Oakland County

My Commission Expires: May 23, 2020

AMENDED AND RESTATED CONDOMINIUM BYLAWS THE SANCTUARY IN THE HILLS

AMENDED AND RESTATED CONDOMINIUM BYLAWS THE SANCTUARY IN THE HILLS

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EXHIBIT A

AMENDED AND RESTATED CONDOMINIUM BYLAWS THE SANCTUARY IN THE HILLS

ARTICLE I ASSOCIATION OF CO-OWNERS

Section 1. The Association. The Sanctuary in the Hills, a residential Condominium located in the City of Rochester, Oakland County, Michigan, shall be administered by The Sanctuary in the Hills Condominium Association (the "Association"). The Association is a nonprofit corporation that has been organized under the applicable laws of the State of Michigan. The Association is 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, these Amended and Restated Bylaws, the Articles of Incorporation, the Association's rules and regulations (sometimes collectively referred to as the "Condominium Documents"), and the laws of the State of Michigan. All Co-owners and all persons using or entering upon the Condominium or acquiring any interest in any Unit or the Common Elements are subject to the provisions and terms set forth in the Condominium Documents.

Section 2. Purpose of Bylaws. These Bylaws are designated as both the Condominium Bylaws, relating to the way the Condominium and the common affairs of the Co-owners shall be administered, as required by the Condominium Act, and the Association or Corporate Bylaws, governing the Association's operation as a corporate entity, as required by the Michigan Nonprofit Corporation Act.

ARTICLE II ASSESSMENTS

Section 1. Taxes and Assessments; Expenses of Administration. 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 on such tangible personal property are expenses of administration. Special assessments levied by the government and real property taxes shall be assessed against the individual Units and not on the Common Elements or any other part of the Condominium. Special assessments levied by the government and real property taxes in any year in which the property existed as an established Condominium on the tax day shall be assessed against the individual Unit, notwithstanding any subsequent vacation of the Condominium. The government's levying of all property taxes and special assessments shall comply with Section 131 of the Condominium Act.

Section 2. Expenses and Receipts of Administration. All costs incurred by the Association in satisfaction of any liability arising within, caused by or in connection with the Common Elements or the administration of the Condominium shall be expenses of administration, and all sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association securing the interests 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 be receipts of administration, within the

meaning of Section 54(4) of the Condominium Act, except as modified by the specific assignment of responsibilities for costs contained in Article IV of the Amended and Restated Master Deed.

- **Section 3.** Determination of Assessment. Assessments shall be determined in accordance with the following provisions:
- Annual Budget. The Association's Board of Directors shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year that may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Any adopted budget shall include an allocation to a reserve fund for repairs and replacement of those Common Elements that must be replaced on a periodic basis, in accordance with subsection D below. Upon the Board of Director's adoption of an annual budget, copies of the budget shall be delivered to each Co-owner and the assessment for the year shall be established based upon that budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. 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 Co-owner's obligation to pay the allocable share of the common expenses whenever the same shall be determined. In the absence of any annual budget or adjusted budget each Co-owner shall continue to pay each installment at the rate established for the previous fiscal year until notified of any change in the installment payment which shall not be due until at least ten (10) days after such new annual or adjusted budget is adopted. Co-owners shall have a ten (10) day grace period commencing with notice from the Board of Directors in which to submit their new or adjusted assessment payment.
- B. Additional Assessments. The Board of Directors has the authority to increase the general assessment or to levy such additional assessments as it shall deem to be necessary in the Board's sole discretion, provided that the same shall be required for only the following: (i) to meet deficits incurred or anticipated because current assessments are insufficient to pay the costs of operation and maintenance; (ii) to provide repairs or replacements of existing Common Elements; (iii) to provide additions to the Common Elements at a total annual cost not exceeding 5% of the Association's annual operating budget; or (iv) for any emergencies. The Board of Directors also has the authority, without the necessity of Co-owner consent, to levy assessments under Article V, Section 4 of these Amended and Restated Bylaws. The authority to levy assessments pursuant to this subsection is solely for the Association's benefit and the Co-owners and is not enforceable by any creditors of the Association or the Co-owners except that the Association may voluntarily and conditionally assign the right to levy assessments to any lender relating to any voluntary loan transaction entered into by the Association.
- C. <u>Special Assessments</u>. Special assessments, in addition to those described in subsections A and B above, may be made by the Board of Directors from time to time if approved by the Co-owners as provided in this subsection, to meet other Association requirements, including, but not limited to: (i) assessments to purchase a Unit upon foreclosure of the lien for assessments described hereafter; (ii) assessments to provide additions to the Common Elements at a total cost exceeding 5% of the Association's annual operating budget; or (iii) assessments for any other appropriate purpose not elsewhere described. Special Assessments as provided for by this subsection shall not be levied without the prior approval of more than 60% of all Co-owners in good standing. The authority to levy assessments pursuant to this subsection is solely for the Association's benefit and the Co-owners and is

not enforceable by any creditors of the Association or the Co-owners except that the Association may voluntarily and conditionally assign the right to levy assessments to any lender relating to any voluntary loan transaction entered into by the Association.

D. Reserve Fund. The Board of Directors shall maintain a reserve fund for major repairs and replacements of Common Elements and emergency expenditures, which reserve fund shall be in the amount of not less than ten percent (10%) of the Association's annual budget (excluding that portion of the budget allocated to the reserve fund itself). At least two (2) Directors must sign any checks or provide written authorization before any funds may be drawn from the reserve fund account. The Association may increase or decrease the reserve fund but may not reduce it below ten percent (10%) of the Association's annual budget (not including expenditures from, or payments to, the reserves). The reserve must be funded at least annually from the proceeds of the regular assessments set forth in subsection A of this Section; however, the reserve may be supplemented by additional assessments if determined necessary by the Board of Directors. The minimum standard required by this subsection may prove to be inadequate. The Board of Directors shall annually consider the needs of the Condominium to determine if a greater amount should be set aside in reserve or if additional reserve funds should be established for any other purposes. The Board may adopt such rules and regulations as it deems desirable from time to time with respect to type and manner of investment, funding of the reserves, disposition of reserves or any other matter concerning the reserve account(s). 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 Association asset.

Section 4. Payment of Assessments and Penalty for Default. All assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Coowners equally without increase or decrease for the existence of any rights to the use of a Unit's Limited Common Elements. Annual assessments shall be payable by Co-owners in twelve (12) monthly installments or in installments as may be provided by the Board in its sole discretion, 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. Additional and Special Assessments shall be payable as stated in the notice announcing their levy. The payment of an assessment shall be in default if the assessment, or any part of the assessment, is not paid to the Association in full on or before the due date for the payment. which shall be the first (1st) day of each calendar month or any other date that the Board may establish from time to time for any assessment. Assessments in default shall bear interest at the highest rate allowed by law (currently 7%) until paid in full. In addition, all assessments, or installments of assessments, that remain unpaid 10 days after the due date, shall incur a uniform late charge of \$25.00 per month to compensate the Association for administrative costs incurred because of the delinquency. The Board of Directors may revise the amount and frequency of uniform late charges from time to time and may levy additional late fees for special and additional assessments, pursuant to Article VI, Section 11 of these Bylaws, without the necessity of amending these Bylaws. Once there is a delinquency in the payment of any installment of the annual assessments lasting for more than two months, the Board of Directors may accelerate the remaining unpaid installments of the annual assessment for that fiscal year so that all unpaid installments are immediately due and payable. 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, including actual attorneys' fees) levied against their Unit while the Co-owner has an ownership interest in the Unit. Payments on 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 the installments; and third, to installments in default in order of their due dates.

Section 5. <u>Waiver of Use or Abandonment of Unit</u>. Co-owners shall not be exempt from liability for their contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of their Unit.

Section 6. Enforcement.

- A. <u>Statutory Lien.</u> Sums assessed to a Co-owner that are unpaid, together with interest on such sums, collection and late charges, advances made by the Association for taxes or other liens to protect its lien, attorneys' fees and fines (as allowed by the Condominium Documents or the Condominium Act), constitute a lien upon the Unit or Units owned by the Co-owner at the time of the assessment before other liens except tax liens on the Unit in favor of any state or federal taxing authority and sums unpaid on the first mortgage of record, except that past due assessments which are evidenced by a recorded notice of lien have priority over a mortgage recorded subsequent to the recording of the notice and affidavit of lien. The lien upon each Unit owned by the Co-owner shall be in the amount assessed against the Unit, plus a proportionate share of the total of all other unpaid assessments attributable to Units no longer owned by the Co-owner but which became due while the Co-owner had title to the Units. The lien may be foreclosed by judicial action or by advertisement in the name of the Condominium on behalf of the other Co-owners as provided below.
- В. Remedies. 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. A Co-owner may not withhold or escrow assessments, and may not 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 services or management to a Co-owner. Except as provided in Article X, Section 1, a Co-owner in default shall not be qualified to run for or function as an Association officer or Director, shall not be entitled to vote so long as such default continues, and shall not be entitled to utilize any of the General Common Elements; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from their Unit. The Association may also discontinue the furnishing of any services to a Co-owner in default. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner or any persons claiming under them, and if the Unit is not occupied by the Co-owner, to lease the Unit and collect and apply the rents received. The Association may also assess fines for late payment or nonpayment of assessments in accordance with the provisions of Article XVI of these Bylaws. All remedies shall be cumulative and not alternative.
- C. <u>Foreclosure of Lien</u>. 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 the lien securing payment of assessments, costs and expenses, either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, and the provisions of Section 108 of the Condominium Act, as the same may be amended from time to time, are incorporated by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligation 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 to be sold the Unit (and improvements) with respect to which assessments 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 acknowledges that at the time of acquiring title to such Unit they were notified of the provisions of this Section 6 and that they 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.

- D. Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a foreclosure by advertisement action shall be commenced until the expiration of ten (10) days after mailing by first class mail, postage prepaid, addressed to the delinquent Co-owner at their last known address, of a written notice that one or more installments of the annual, additional or special assessment, as the case may be, levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies under this Article II if the default is not cured within ten (10) days after the date of mailing. The written notice shall set forth (i) the statutory and other authority for the lien, (ii) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (iii) the legal description of the subject Unit, and (iv) the name of the Co-owner of record. The notice shall be recorded in the Oakland County Register of Deeds, but it need not have been recorded as of the date of mailing to the delinquent Co-owner. If the delinquency is not cured within the ten (10) day period, the Association may take any remedial action as may be available to it under the Condominium Documents or Michigan law.
- E. Expenses of Collection. All expenses incurred in collecting unpaid assessments, including interests, fines, costs, actual attorneys' fees (not limited to statutory fees and including attorneys' fees and costs incurred incidental to any bankruptcy proceedings filed by the delinquent Coowner or probate or estate matters, including monitoring any payments made by the bankruptcy trustee or the probate court or estate to pay any delinquency, and/or attorneys' fees and costs incurred incidental to any State or Federal Court proceeding filed by the Co-owner) and advances for taxes or other liens or costs paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on their Unit.
- Section 7. <u>Liability of Mortgagee</u>. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering a Unit, or such first mortgage holder's successors and assigns, that obtains title to the Unit pursuant to the foreclosure remedies provided in the mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which become due prior to the acquisition of title to the Unit (the date of the foreclosure sale) by such person or entity, 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, and except for claims evidenced by a Notice of Lien recorded prior to the recording of the first mortgage.
- Section 8. Assessment Status upon Sale of Unit. Upon the sale or conveyance of a Unit, any unpaid assessments, interest, late fees, fines, costs and attorneys' fees against the Unit shall be paid out of the net proceeds of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision of the State for taxes or special assessments due and unpaid and (b) payments due under first mortgages having

priority to the unpaid assessments. A purchaser or grantee of a Unit is entitled to a written statement from the Association setting forth the amount of unpaid assessments, interest, late fees, fines, costs and attorneys' fees outstanding against the Unit and the purchaser is not liable for any unpaid assessments, interest, late fees, fines, costs and attorneys' fees in excess of the amount set forth in such written statement, nor shall the Unit be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided in this Section at least five (5) days before the conveyance shall be liable for any unpaid assessments against the Unit together with interest, late fees, fines, costs and attorneys' fees incurred in connection with the collection of such assessments.

- Section 9. <u>Construction Liens</u>. Construction liens attaching to any portion of the Condominium are subject to the following limitations and Section 132 of the Condominium Act:
- A. Except as otherwise provided, a construction lien for work performed upon a Unit or upon a Limited Common Element may attach only to the Unit upon which the work was performed.
- B. A construction lien for work authorized by the Association may attach to each Unit only to the proportionate extent that the Co-owner of the Unit is required to contribute to the expenses of administration as provided by the Condominium Documents.
- C. A construction lien may not arise or attach to a Unit for work performed on the Common Elements not contracted for by the Association.

ARTICLE III ARBITRATION

- **Section 1.** Arbitration. 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 under the procedures set forth in the Uniform Arbitration Act and parties to the arbitration 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 shall be applicable to any 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, neither a Co-owner nor the Association is precluded from petitioning the courts to resolve any disputes, claims or grievances.
- Section 3. <u>Effect of Election to Arbitrate</u>. Election by the parties to submit any such dispute, claim or grievance to arbitration precludes such parties from litigating such dispute, claim or grievance in the courts.
- Section 4. Mediation. Regardless of the other remedies available under these Bylaws or the Condominium Act, the parties to any dispute may agree to mediate any disputes. In instances involving a dispute between two or more Co-owners that has been presented to the Association by such Co-owners, the Association may compel the disputing Co-owners to first mediate the dispute before the Association

considers any other action. All compelled mediation shall be conducted by qualified outside mediators at the expense of the disputing Co-owners. In all other instances, mediation is totally voluntary and upon agreement of the disputing parties.

ARTICLE IV INSURANCE

Section 1. Extent of Coverage; Responsibility for Coverage.

A. Association Responsibilities.

- (1) <u>Casualty</u>. Except as otherwise assigned to Co-owners under Section 1B below, the Association shall insure against fire, vandalism, malicious mischief, and other perils covered by a standard extended coverage endorsement, in an amount equal to one hundred percent (100%) of the current replacement cost of the insurable improvements, excluding foundation and excavation costs, as determined annually by the Association's Board of Directors, the following: (a) all Common Elements of the Condominium that the Association has responsibility for under Article IV, Section 2 of the Amended and Restated Master Deed; (b) all structural components of the Unit including supporting columns, beams, insulation, perimeter walls (including party-walls, windows, doors, doorwalls and garage doors), trusses, roofs, ceiling and floor construction and chimneys; and (c) all electrical, water, gas and sanitary systems up to, but not including, the point those systems connect to fixtures, plugs, switches, breakers, panels or equipment. The Association's policy shall include a "Guaranteed Replacement Cost Endorsement" or a "Replacement Cost Endorsement" and, if the policy includes a coinsurance clause, an "Agreed Amount Endorsement." The policy shall also include an "Inflation Guard Endorsement," if available, and a "Building Ordinance and Law Endorsement."
- Liability, Worker's Compensation, Fidelity Bond, Directors and Officer, and Other Required Coverage. The Association shall also carry (1) liability insurance with coverage in the minimum amount of one million dollars (\$1,000,000.00) for a single occurrence pertinent to the ownership, use, and maintenance of the Common Elements that the Association has responsibility for repairing and replacing under Article IV of the Amended and Restated Master Deed, (2) worker's compensation insurance, if applicable, (3) fidelity bond or equivalent employee dishonesty/crime coverage in the minimum amount of a sum equal to three months aggregate assessments on all Units plus reserve funds on hand, with such fidelity bond or equivalent employee dishonesty/crime insurance covering all Association officers, directors, and employees and all other persons, including any management agent, handling or responsible for any monies received by or payable to the Association (it being understood that if the management agent or others cannot be added to the Association's coverage, they shall be responsible for obtaining the same type and amount of coverage on their own before handling any Association funds), (4) Directors and Officers Liability coverage, and (5) such other insurance as the Board of Directors deems advisable.
- (3) <u>Optional Umbrella Insurance</u>. The Association may purchase as an expense of administration an umbrella insurance policy that covers any risk the Association is required to cover but was not covered due to lapse or failure to procure.
- (4) <u>Benefited Parties; Notice to Mortgagees</u>. All such insurance shall be purchased by the Association for the Association's benefit, the Co-owners, and their mortgagees, as their interests

may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners.

- (5) <u>Insurance Records</u>. All non-sensitive and non-confidential information in the Association's records regarding Common Element insurance coverage shall be made available to all Coowners and mortgagees upon written request and reasonable notice during normal business hours.
- (6) <u>Cost of Insurance</u>. All premiums for insurance purchased by the Association shall be expenses of administration.
- (7) Proceeds of Association Insurance Policies. Proceeds of all Association insurance policies 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 repair or reconstruction of the Condominium is required as provided in Article V of these Bylaws, the proceeds of any insurance that the Association receives as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction.
- В. Co-owner Responsibilities. Co-owners are advised that the Association's coverage is not intended to be complete as to all matters, and the Co-owners have an obligation to provide certain coverage as outlined in this Article. Co-owners are advised to consult with their insurance advisors to determine what additional insurance they must obtain upon their Units and Common Elements at their own expense in addition to the coverage carried by the Association. Each Co-owner shall obtain insurance coverage for (i) interior walls, (ii) all drywall located within the Unit including interior wall, perimeter wall and ceiling drywall, (iii) the interior of their Unit, including all fixtures, equipment, trim and other items or attachments within the Unit, (iv) patios and covered deck screens, (v) improvements and enhancements to the Unit and improvements and enhancements for which Co-owners are assigned responsibility under Article IV, Section 2 of the Amended and Restated Master Deed, (vi) personal property located within a Unit or elsewhere in the Condominium, (vii) personal liability and property damage for occurrences within a Unit or upon its Limited Common Elements, and (viii) alternative living expense in event of fire or other casualty, and the Association has absolutely no responsibility for obtaining such coverage. All Common Elements that Co-owners are required to insure shall be insured against fire, vandalism, malicious mischief and other perils in an amount equal to 100% of the current replacement cost. Co-owners are also advised to obtain insurance covering any insurance deductible or uninsured amount that the Co-owner may be required to pay under Article V, Section 5 or Article VI, Section 14 of these Bylaws. Each Co-owner shall deliver certificates of insurance to the Association as the Board of Director's may require from time to time to evidence the continued existence of all insurance that Co-owners are required to maintain. In the event a Co-owner fails to obtain such insurance or to provide evidence of such insurance to the Association, the Association may, but is not required to, obtain such insurance on behalf of such Co-owner and the premiums paid shall constitute a lien against the Co-owner's Unit and may be collected from the Co-owner in the same manner that Association assessments may be collected under Article II of these Amended and Restated Bylaws.
- C. <u>Waiver of Subrogation</u>; <u>Cross-Liability Endorsements</u>. The Association and all Coowners shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner contains appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association. The Association's liability

insurance shall, where appropriate, contain cross-liability endorsements to cover liability of the Coowners as a group to another Coowner.

Section 2. Association as Attorney-in-Fact. Each Co-owner, by ownership of a Unit, is deemed to appoint the Association as their true and lawful attorney-in-fact to act regarding all matters concerning any insurance carried by the Association. Without limiting the generality of the previous sentence, the Association has full power and authority to purchase and maintain such insurance, to collect and remit premiums, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear, but subject to the Condominium Documents, to execute releases of liability, and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as necessary or convenient to the accomplishment of the foregoing.

ARTICLE V RECONSTRUCTION OR REPAIR IN CASE OF CASUALTY

Section 1. Determination of Reconstruction or Repair. If the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit is tenantable, unless it is determined by the affirmative vote of eighty percent (80%) of the Co-owners that the entire Condominium shall be terminated, and two-thirds (2/3^{rds}) of all mortgagees of record have consented to such termination, which mortgagee consent shall be solicited in accordance with Section 90a of the Condominium Act.

Section 2. Co-owner Responsibility for Reconstruction or Repair. Subject to the provisions of Article VI, Section 14, regardless of the cause or nature of any damage or deterioration, including, but not limited to, instances in which the damage is incidental to or caused by (i) a Common Element for which the Association is responsible under Article IV of the Amended and Restated Master Deed, (ii) the maintenance, repair, or replacement of any Common Element, (iii) the Co-owner's own actions or the Co-owner's failure to take appropriate preventive action, or (iv) the malfunction of any appliance, equipment, or fixture located within or serving the Unit, each Co-owner shall be responsible for the cost of repair, reconstruction and replacement of all items the Co-owner is assigned repair and replacement responsibility under Article IV, Section 2 of the Amended and Restated Master Deed, and for those items that the Co-owner is primarily responsible to insure under Article IV of these Amended and Restated Bylaws including, without limitation, interior walls, all drywall within the Unit including interior wall, perimeter wall and ceiling drywall, and the interior of their Unit, including all fixtures, equipment, trim and other items or attachments within the Unit. If the damage is only to an item that is the Co-owner's responsibility to repair, replace and insure, it shall be the Co-owner's responsibility to promptly repair such damage in accordance with these provisions. If the damage involves items that are both the Co-owner's and the Association's responsibility to repair, replace and insure, then the Association is responsible for reconstruction or repair in accordance with Section 3 of this Article, although the responsibility for costs shall be allocated in accordance with the provisions of this Section and Section 3. If any interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, and the Association's carrier is responsible for paying a claim under Article IV of these Amended and Restated Bylaws, the Co-owner is entitled to receive those proceeds of insurance, but only in the absence of Co-owner coverage for those items, and those proceeds shall be used solely for necessary repairs.

- Subject to the responsibility of the individual Co-owners as outlined in Section 2 above and 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 General Common Elements and, in the case of an insurable loss, those items for which it is primarily responsible to insure pursuant to Article IV of these Amended and Restated Bylaws. Under no circumstances will the Association be responsible for incidental or consequential damages to a Unit, Limited Common Element, or any other property that is the responsibility of a Co-owner, or to the contents of any Unit or the personal property of a Co-owner or Unit occupant. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair, or reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage.
- **Section 4.** <u>Timing</u>. If damage to Common Elements or a Unit adversely affects the appearance of the Condominium or deprives others from utilizing the Common Elements, the party responsible for the repair and reconstruction shall promptly proceed with the repair or replacement of the damaged property.
- Section 5. Responsibility for Amounts within Insurance Deductible or Otherwise Uninsured. Notwithstanding any other provision of the Condominium Documents, and except to the extent that a lack of insurance results from a breach of the Association's or other Co-owner's duty to insure, the responsibility for damage to any portion of the Condominium that is within the limits of any applicable insurance deductible, unless waived, and for any other uninsured amount, shall be borne by the responsible Co-owner whenever the damage is the result of a failure to observe or perform any requirement of the Condominium Documents, or if the damage results from damage to or misuse of any of the Common Elements by the Co-owner, or their family, guests, agents, or invitees, or by casualties and occurrences, whether or not resulting from Co-owner negligence, involving items or Common Elements which are the responsibility of the Co-owner to maintain, repair, or replace.
- **Section 6.** Eminent Domain. Section 133 of the Condominium Act (to the extent not inconsistent with the following) and the following provisions shall control upon any taking by eminent domain:
- A. <u>Common Elements Taken by Eminent Domain</u>. If any portion of the Common Elements is taken by eminent domain, the award shall be allowed to the Co-owners in proportion to their respective undivided 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 and any negotiated settlement approved by more than two-thirds (2/3) of the Co-owners shall be binding on all Co-owners.
- B. <u>Unit Taken by Eminent Domain</u>. If a Unit is taken by eminent domain, the undivided interest in the Common Elements appertaining to the Unit shall appertain to the remaining Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The court shall enter a decree reflecting the reallocation of the undivided interest in the Common Elements as well as for the Unit.

- C. Partial Taking of a Unit. If portions of a Unit are taken by eminent domain, the court shall determine the fair market value of the portions of the Unit not taken. The undivided interest of such Unit in the Common Elements shall be reduced in proportion to the diminution in the fair market value of such Unit resulting from the taking. The portions of undivided interest in the Common Elements thereby divested from the Co-owners of such Unit shall be reallocated among the other Units in proportion to their respective undivided interests in the Common Elements. A Unit partially taken shall receive the reallocation in proportion to its undivided interest as reduced by the court under this subsection. The court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the Co-owner of the Unit partially taken for that portion of the undivided interest in the Common Elements divested from the Co-owner and not revested in the Co-owner pursuant to the following subsection, as well as for that portion of the Unit taken by eminent domain.
- D. <u>Impossibility of Use of Portion of Unit Not Taken by Eminent Domain</u>. If the taking of a portion of a Unit makes it impractical to use the remaining portion of that Unit for a lawful purpose permitted by the Condominium Documents, then the entire undivided interest in the Common Elements appertaining to that Unit shall appertain to the remaining Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The remaining portion of that Unit shall 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 Unit for the Co-owner's undivided interest in the Common Elements and for the entire Unit.
- E. Future Expenses of Administration Appertaining to Units Taken by Eminent Domain. Votes in the Association and liability for future expenses of administration appertaining to a Unit taken or partially taken by eminent domain shall appertain to the remaining Units, being allocated to them in proportion to their relative voting strength in the Association. A Unit partially taken shall receive a reallocation as though the voting strength in the Association was reduced in proportion to the reduction in the undivided interests in the Common Elements.
- F. <u>Condominium Continuation after the taking by Eminent Domain</u>. If the Condominium continues after a taking by eminent domain, then the remaining portion of the Condominium shall be resurveyed and the Amended and Restated Master Deed amended accordingly. The amendment may be effected by an Association officer duly authorized by the Board of Directors without the necessity of execution or specific approval by any Co-owner, but only with the prior written approval of holders of two-thirds (2/3rds) of all first mortgage liens on individual Units.
- G. <u>Condemnation or Eminent Domain Proceeding</u>. If any Unit, or any portion of a Unit, or the Common Elements, or any portion of the Common Elements, 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 shall promptly notify each institutional holder of a first mortgage lien on any of the Units.
- **Section 7.** Rights of First Mortgagees. Nothing contained in the Condominium Documents shall be construed to give a Co-owner, or any other party, priority over any rights of first mortgages of Units pursuant to their mortgages in the case of a distribution to Co-owners of insurance proceeds or condemnation awards for losses to or a taking of Units or Common Elements.

Section 8. <u>Notification to Mortgagees and Guarantors</u>. Upon written request submitted to the Association, the Association shall give the holder of any first mortgage and any guarantors of the mortgage covering any Unit timely written notice of any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing the mortgage.

ARTICLE VI RESTRICTIONS

Section 1. Use of Unit.

- A. <u>Single Family Use</u>. No Unit shall be used for other than single-family residential purposes as defined by City of Rochester Zoning Ordinances, and the Common Elements shall be used only for purposes consistent with such use. No Co-owner shall carry on any business enterprise or commercial activities anywhere on the Common Elements or within the Units, including without limitation for profit or nonprofit day care, adult foster care, nursing facilities, transitional housing and similar enterprises; provided, however, that Co-owners shall be allowed to have home offices in their Units so long as the same (1) do not involve additional pedestrian or vehicular traffic by customers, users or beneficiaries of the services being performed and/or congestion within the Condominium, (2) do not utilize or involve the presence of any employees within the Unit other than the individual Co-owner(s) and their families, (3) do not disturb other Co-owners, (4) do not involve additional expense to the Association (such as utility charges and insurance), and (5) do not violate any other provision or restriction contained in the Condominium Documents, (6) do not involve the storage of bulk goods for resale, and (7) do not constitute a violation of any ordinances or regulations of the City of Rochester.
- B. Occupancy Restrictions. The number of persons allowed to occupy or reside in any Unit shall be governed by the restrictions and regulations of the Building Officials and Code Administrators National Property Maintenance Code or such other codes or ordinances that may be adopted by the City of Rochester from time to time governing occupancy. Such restrictions shall automatically change, without the necessity of an amendment to these Bylaws, upon the adoption of alternative regulations by the City of Rochester, such that the occupancy of all Units shall be in accordance with all City of Rochester regulations.

Section 2. Leasing and Rental.

A. Right to Lease. A Co-owner may only lease a Unit if the Co-owner has followed the disclosure procedures contained in subsection C below and obtained the Board of Director's prior written approval as more fully set forth in this Section 2. Except for those Units under an approved lease as of the effective date of the Amended and Restated Master Deed, the Board of Directors shall not grant approval if (a) the leasing of the Unit would result in any one person or entity (including affiliates or commonly owned entities) leasing more than 1 Unit at any given time, or (b) the leasing of the Unit would cause the total number of leased Units in the Condominium to exceed 15%. Co-owners who were permitted to lease their Units as of the effective date of the Amended and Restated Master Deed shall be entitled to continue leasing their Units despite the foregoing limitations on the number of Units that may be rented, provided the Condominium Documents are followed and an approved lease is on file with the Association prior to the effective date of the Amended and Restated Master Deed. If there is a sale or transfer of ownership of a leased Unit, or if a leased Unit is no longer being leased, being prepared

for lease, or being held out or otherwise marketed for lease, all automatic rights to lease that Unit shall terminate and no further leasing of the Unit shall take place without first obtaining the Board's written approval in compliance with these provisions. In addition, no Co-owner shall lease less than an entire Unit, and all leases shall (i) be for an initial term of no less than one (1) year, (ii) require the lessee to comply with the Condominium Documents, and (iii) provide that failure to comply with the Condominium Documents constitutes a default under the lease. A Co-owner may only lease a Unit for the same purposes as set forth in Article VI, Section 1, and in accordance with the provisions of this Section. No Co-owner shall accommodate transient tenants or occupants. For purposes of this Section, "transient tenant or occupant" refers to a non-Co-owner occupying a Unit for less than sixty (60) days and who has paid consideration for the occupancy. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all the Condominium Document provisions. The Association may require the use of a standard lease addendum to ensure compliance with the requirements of this Section.

- B. Exception to 15% Leasing Limitation. Notwithstanding the provisions contained in subsection A above or anything to the contrary contained in the Condominium Documents, the Association recognizes that circumstances may arise beyond a Co-owner's control that may justify an exception to allow the temporary leasing of a single Unit, regardless of the 15% rental limitation. Therefore, under the following circumstances, but only for so long as such circumstances exist and only so long as the Co-owner has occupied the Unit for the immediately preceding six (6) months and the leasing of the Unit will not result in that Co-owner or any related person or entity leasing more than 1 Unit, the Board may allow a Co-owner to lease their Unit even though 15% or more of the Units may already be leased:
- (1) A Co-owner must relocate to a nursing home or similar facility for a period likely to exceed six (6) months;
- (2) A Co-owner must relocate for medical purposes (treatment, rehabilitation, or recuperation) for a period likely to exceed six (6) months;
- (3) A Co-owner must relocate for employment purposes for a period likely to exceed six (6) months;
- (4) A Co-owner or the estate of a Co-owner must rent a Unit due to an inability to sell the same without incurring a financial loss because of mortgage liens recorded against the Unit exceeding the fair market value of the Unit; or
 - (5) Any similar extenuating situation approved by the Board of Directors.
- C. <u>Procedures for Leasing</u>. The leasing of Units shall conform to the following additional provisions:
- (1) <u>Disclosure</u>. A Co-owner desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee, and shall at the same time supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. Each Co-owner shall, promptly following the execution

of any approved lease of a Unit, forward a true copy of the fully executed lease to the Association. If no lease form is to be used, then the Co-owner shall supply the Association with the name and address of the potential lessee or other occupants, along with the amount and due dates of any rental or compensation payable to the Co-owner, and the term of the proposed occupancy arrangement. Co-owners who do not live in their Unit must keep the Association informed of their current correct address and phone number.

- (2) <u>Administrative Fee</u>. The Board of Directors may charge such reasonable administrative fees for reviewing, approving and monitoring lease transactions in accordance with this Section as the Board may establish. Any such administrative fees shall be assessed to and collected from the leasing Co-owner in the same manner as the collection of assessments under Article II of these Amended and Restated Bylaws.
- (3) <u>Compliance with Condominium Documents</u>. Tenants or non-Co-owner occupants shall comply with the Condominium Documents.
- (4) <u>Default by Tenant</u>. If the Board determines that a tenant or non-Co-owner occupant failed to comply with the Condominium Documents, the Association shall take the following action:
- (a) <u>Notification</u>. The Association shall notify the Co-owner by certified mail advising of the alleged violation.
- (b) <u>Time to Cure</u>. The Co-owner has fifteen (15) days after receipt of such notice to investigate and correct the alleged tenant or non-Co-owner occupant breach or advise the Association that a violation has not occurred.
- (c) Remedies. If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Coowners on behalf of the Association an action for eviction against the tenant or non-Co-owner occupant for breach of the Condominium Documents. The relief set forth in this Section may be by summary proceeding, although the Association may pursue relief in any Court having jurisdiction and whether by summary proceeding or otherwise. The Association may hold the tenant, the non-Co-owner occupant and the Co-owner liable for any damages caused by the Co-owner, tenant or non-Co-owner occupants. The Co-owner shall be responsible for reimbursing the Association for all costs incurred because of a tenant's or non-Co-owner occupant's failure to comply with the Condominium Documents, including the pre-litigation costs and actual attorneys' fees incurred in obtaining their compliance with the Condominium Documents.
- (5) Notice to Pay Rent Directly to Association. When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to the Co-owner's tenant or non-Co-owner occupant and the tenant or non-Co-owner occupant after receiving the notice shall deduct from their rental payments to the Co-owner the arrearage and future assessments as they fall due and shall pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the tenant or non-Co-owner occupant. If the tenant or non-Co-owner occupant, after being so notified, fails or refuses to remit rent to the Association that is otherwise due the Co-

owner, then the Association may (1) prohibit the tenant from utilizing any of the General Common Elements, (2) issue a statutory Notice to Quit for non-payment of rent, and enforce that notice by summary proceedings, and/or (3) initiate proceedings pursuant to Section 112(4)(b) of the Condominium Act.

- D. <u>Lender Exception</u>. Notwithstanding anything to the contrary and except for the prohibition on transient tenancies, first mortgage lenders or first mortgage guarantors in possession of a Unit following a default of a first mortgage, foreclosure, or deed or other arrangement in lieu of foreclosure shall not be subject to the restrictions contained in this Article VI, Section 2A and which relate to the term of any lease or rental agreement.
- E. <u>Department of Veterans Affairs Exception</u>. To the extent that any provision set forth in the Condominium Documents regarding leasing is inconsistent with the requirements of guaranteed or direct loan programs of the United States Department of Veterans Affairs, as set forth in chapter 37 of title 38, United States Code, or part 36 of title 38, Code of Federal Regulations ("DVA Financing"), such provision shall not apply to any Unit that is:
 - (1) Encumbered by DVA Financing; or
 - (2) Owned by the Department of Veterans Affairs.
- F. Rent Loss Insurance Coverage. Those Co-owners that rent their Unit are advised to obtain insurance coverage for reimbursement of rental income that may be lost while the Unit is being repaired, rebuilt or is otherwise not capable of being occupied. The Association shall have no responsibility for obtaining coverage and Co-owners shall have no claim against the Association for lost rental income.

Section 3. Alterations and Modifications.

Approvals Required. No Co-owner may commence or make alterations in exterior appearance or make structural modifications to any Unit including interior walls through or in which there exist easements for support or utilities or make changes in the appearance or use of any of the Common Elements, including but not limited to, exterior painting, replacement of windows or doors, or the erection of lights, awnings, hot tubs, decks, patios, structures, fences, walls or other exterior attachments or modifications, until plans and specifications acceptable to the Board showing the nature, kind, shape, height, materials, color scheme, location and approximate cost has first been submitted to and approved in writing by the Board, and a copy of such plans and specifications, as finally approved, delivered to the Board. The Board has the right to refuse to approve any such plans or specifications that are not suitable or desirable in its opinion for aesthetic or any other reasons, and in passing upon such plans and specifications it has the right to take into consideration the suitability of the proposed structure, improvement or modification, the area upon which it is proposed to be constructed, and the degree of harmony with the entire Condominium. If the Board approves any modification or alteration application, such approval is subject to a recordable, written undertaking by the Co-owner acknowledging that installation, maintenance, repair, replacement and insuring of all the improvements are to be at the Co-owner's sole expense. The Board has the right to require a Co-owner to complete the installation of any approved improvements or modifications by a date certain. Any modifications or alterations that a Co-owner performs pursuant to this Section shall, if applicable, be performed by

licensed and insured contractors and in accordance with all applicable governmental regulations and ordinances, including the requirement that proper permits be applied for and issued by appropriate governmental agencies. The provisions contained in this subsection A are subject to the applicable provisions of the 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 Condominium Act at MCL 559.147a, as may be amended from time to time.

- B. <u>Sound Conditioning</u>. A Co-owner shall not damage, attach anything to, or alter walls between Units so as to compromise sound conditioning.
- C. <u>Installation of Antennas/Satellite Dishes</u>. The installation of antennas, direct broadcast satellites and other technologies regulated by the Federal Communications Commission shall be in accordance with duly promulgated Association rules and regulations, which shall always be construed so as not to violate applicable FCC regulations.
- Section 4. Conduct upon the Condominium. No harmful, improper or unlawful activity, including without limitation speeding or other vehicular infractions, shall be engaged in on or upon the Common Elements or any Unit, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners, nor shall any unreasonably noisy activity be carried upon the Common Elements or any Unit. There shall not be maintained any device or thing of any sort whose normal activities or existence is in any way harmful, noisy, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the reasonable enjoyment of other Units. The Board of Directors shall be the final arbiter of whether a device or thing is in violation of the foregoing restrictions. No Co-owner shall do or permit anything to be done or keep or permit to be kept on their Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the Board's written approval 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. All municipal codes and ordinances pertaining to the use of the Common Elements must always be followed.

Section 5. Animals within the Condominium.

A. <u>Number and Type</u>. No more than 2 household pets shall be maintained within any Unit. The term "animal" or "pet" as used in this section shall not include small animals, fish or birds that are constantly caged or in a tank. Exotic pets (i.e. rare or unusual animals or animals generally thought of as wild and not typically kept as a pet) are strictly prohibited.

B. Restrictions Applicable to Pets; Responsibilities of Co-owners.

(1) The Board of Directors may require that Co-owners register their pets with the Association before the pet may be maintained on or within the Condominium. The Board may require that any such registration include, among other things, a complete description of the pet, its name, the name and telephone number of the adult person responsible for the pet, and the name, address and telephone number of the veterinarian or veterinary clinic which maintains the pet's health and immunization records, and a current picture.

- (2) No animals may be kept or bred for any commercial purpose. Any pets permitted to be kept in the Condominium shall have such care and restraint as not to be obnoxious because of noise, odor or unsanitary conditions.
- (3) No animal may be permitted to be housed outside of a Unit, in a pen or otherwise, nor shall pets be tied or restrained outside or be allowed to be loose upon the Common Elements. All pets shall be leashed when outdoors with the leash being held and controlled by a responsible person and otherwise in accordance with any ordinances of the City of Rochester that may apply.
- (4) Each Co-owner shall be responsible for the immediate collection and disposition of all fecal matter deposited by any animal maintained by such Co-owner, anywhere in the Condominium.
- (5) No savage or dangerous animal of any type shall be kept and any Co-owner who causes any animal to be brought, maintained or kept on the Condominium for any length of time shall indemnify and hold harmless the Association for any loss, damage or liability, including attorneys' fees and costs, which the Association may sustain because of the presence of such animal on the Condominium, whether such animal is permitted or not. The Association may assess and collect from the responsible Co-owner such losses and damages in the manner provided in Article II of these Amended and Restated Bylaws. No animal that creates noise and can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements.
- (6) The Association may charge Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II if the Board determines such assessment necessary to defray the maintenance costs to the Association of accommodating animals within the Condominium.
- (7) All animals kept in accordance with this Section shall be licensed by the municipal agency having jurisdiction, and proof of the animal's shots shall be provided to the Association upon request.
- C. <u>Association Remedies</u>. The Association may, after notice and hearing and without liability, remove or cause to be removed any animal from the Condominium that the Board determines to be in violation of the restrictions imposed by this Section or by any applicable Association rules and regulations. The Board may also assess fines for any such violations. The Board may adopt such additional reasonable rules and regulations with respect to animals, as it may deem proper.
- Section 6. <u>Use of Common Elements</u>. Co-owners and other users of the Condominium shall not use the Common Elements for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in the Condominium Documents. Trash receptacles shall be maintained in Board-designated areas and shall not be permitted to remain elsewhere on the Common Elements except for short periods of time as may be reasonably necessary to permit periodic collection of trash. Trash shall be stored and handled in accordance with all applicable Association rules and regulations and City of Rochester ordinances and Co-owners shall be responsible for the collection and proper disposal of trash (or the Association's costs collecting and disposing of the trash) dispersed about the Common Elements, regardless of the reason. The Common Elements shall not be used for the drying or airing of

clothing or other fabrics. In general, no activity shall be carried on nor condition maintained either in their Unit or upon the Common Elements that detracts from or spoils the Condominium appearance. No unsightly condition shall be maintained on or in any deck, patio, or porch, and only furniture and equipment consistent with ordinary deck, patio, or porch use shall be permitted to remain on these areas. All municipal ordinances pertaining to the use of the Common Elements must be followed.

Section 7. Obstruction of Common Elements. Except as otherwise expressly permitted in the Condominium Documents, the Common Elements, including, without limitation, roads, shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. Except as otherwise expressly permitted in the Condominium Documents, no bicycles, toys, baby carriages, sporting equipment or other personal property may be left unattended on or about the Common Elements; provided, however, that furniture and equipment consistent with ordinary deck, patio, or porch use may be placed on decks, patios or porches, as the case may be.

Section 8. Vehicles upon the Condominium.

- A. Permitted Vehicles in General. Except as otherwise provided in this Section or in the Association's Rules and Regulations, only currently licensed automobiles, motorcycles (if not objectionable due to excessive noise or irresponsible operation), non-commercial pickup trucks, SUVs, and passenger vans not exceeding 21 feet in overall length, which are used as an occupant's primary means of transportation and not for any commercial purposes, may be parked in the Condominium. Unless parked fully in a Unit garage with the door closed or except as otherwise provided in this Section, no house trailers, commercial vehicles (as defined in subsection C below), boat trailers, watercraft, boats, motor homes, camping vehicles, camping trailers, trailers, snowmobiles, snowmobile trailers, recreational vehicles, non-motorized vehicles, off-road vehicles or all-terrain vehicles shall be parked or stored in the Condominium.
- B. <u>Temporary Presence</u>. The Board of Directors has the discretion to issue rules and regulations that provide for the temporary presence of the above enumerated recreational/leisure vehicles upon the Condominium for purposes such as loading and unloading. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of or to designate a parking area for such vehicles.
- Condominium (except as above provided) unless parked in an area specifically designated for such vehicles or trucks by the Association, or while making deliveries or pickups in the normal course of business. For purposes of this Section, commercial vehicles shall include vehicles or trucks with a curb weight of more than 10,000 pounds, overall length in excess of 21 feet, or with more than two axles, vehicles with commercial license plates, vehicles with any commercial markings or advertising appearing on the exterior, vehicles not designed or intended for personal transportation, or any vehicle either modified or equipped with attachments, equipment or implements of a commercial trade, including, but not limited to, ladder or material racks, snow blades, tanks, spreaders, storage bins or containers, vises, commercial towing equipment or similar items. For purposes of this Section, passenger vans, SUVs and pickup trucks, used for primary transportation and not for commercial purposes shall not be considered commercial vehicles provided they do not meet the definition of a commercial vehicle contained in this Section. 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 for parking such vehicles.

- D. <u>Standing Vehicles, Repairs</u>. Nonoperational vehicles or vehicles with expired license plates shall not be parked on the Condominium, other than inside a Co-owner's garage, without the Board's written approval. Nonemergency maintenance or repair of vehicles shall not be permitted on the Condominium, unless specifically approved by the Board of Directors.
- E. <u>Parking Restrictions</u>. Except as the Board otherwise approves in writing or as otherwise set forth in any Association rules and regulations, occupants shall first park their vehicles inside their Unit garage then in their Unit driveways. Occupants shall not park their vehicles overnight on the Common Element roads and no more than one guest vehicle may be parked overnight on the Common Element roads. No person shall park a vehicle in violation of the Association's rules and regulations.
- F. Association Rights. Subject to Section 252k of the Michigan Vehicle Code (MCL §257.252k), the Board may cause vehicles parked or stored in violation of this Section, or of any applicable Association rules and regulations, to be stickered and towed from the Condominium, 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 of these Amended and Restated Bylaws. In such cases, the Co-owner shall be responsible for costs incurred in having a towing company respond, even if the vehicle is moved and properly parked before the towing contractor arrives at the Condominium. The Board of Directors may promulgate reasonable rules and regulations governing the parking and use of vehicles in the Condominium.
- Section 9. Prohibition of Dangerous Items upon the Condominium. Except as otherwise set forth in the Association's rules and regulations as are published from time to time or as otherwise approved by the Board in writing, no Co-owner shall use, or permit the use by an occupant, agent, employee, invitee, guest or member of their family, any drones, firearms, air rifles, pellet guns, BB guns, bows and arrows, fireworks, slingshots or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium, nor shall any Co-owner use or permit to be brought onto the Condominium any unusually volatile liquids or materials deemed to be extra hazardous to life, limb, or property.
- Section 10. Signs. Except for a U.S. flag no larger than 3' x 5', no flags, notices, advertisements, pennants or signs, including "for sale" and "open house" signs, shall be displayed which are visible from the exterior of a Unit without the Board's written permission, unless in complete conformance with the Association's rules and regulations.
- Section 11. Rules and Regulations Consistent with Condominium Act. The Board may make and amend from time to time reasonable rules and regulations consistent with the Condominium 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. This includes, without limitation, the adoption of "Community Policies & Co-owner Responsibilities" that further define the policies and responsibilities of both the Association and the Co-owners. The Association shall furnish to all Co-owners all such regulations and any amendments to the regulations and shall become effective

as stated in such rule or regulation. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all Co-owners in good standing.

Association Access to Units and Common Elements. The Association or its duly authorized agents shall have access to each Unit and any Common Elements from time to time, during reasonable working hours, upon notice to the Co-owner, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and Common Elements at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. Each Co-owner shall provide the Association means of access to their Unit and any Common Elements during all periods of absence and in the event the Co-owner fails to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances, including removing any obstructions or materials that restrict such access, and shall not be liable to such Co-owner for any damage to their Unit or any Common Elements caused in gaining such access, or for repairing, replacing or reinstalling any removed obstructions or materials in gaining such access. No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meters or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation has been approved in accordance with the Condominium Documents, 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 13. Landscaping. 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, bird feeders, exterior lighting, implements, rocks or boulders, fencing or other decorative items upon the Common Elements, Limited or General, unless the same is in total conformance with the Association's rules and regulations on landscaping as are published from time to time including in the Association's "Community Policies & Co-owner Responsibilities" or is otherwise approved by the Board in writing.

Section 14. Co-owner Maintenance of Unit and Common Elements. Each Co-owner shall maintain their Unit and any Common Elements for which they have maintenance responsibility in a safe, clean and sanitary condition. All Units must have operational smoke detectors installed. Co-owners shall implement reasonable precautionary maintenance and winterization measures with respect to any vacant Unit as the Board of Directors from time to time shall require. Each Co-owner shall also use due care to avoid damaging any of the Common Elements, including, but not limited to, the telephone, water, gas, plumbing, electrical, cable TV or other utility conduits and systems and any other Common Elements in any Unit which serve or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from damage to or misuse of the any of the Common Elements by them, or their family, guests, agents or invitees, or by casualties and occurrences, whether or not resulting from Co-owner negligence, involving items or Common Elements which are the responsibility of the Co-owner to maintain, repair and replace, unless such damages or costs are covered by primary insurance carried by the Association, in which case there shall be no such responsibility unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount.

Any costs or damages to the Association, including actual attorneys' fees, may be assessed to and collected from the responsible Co-owner in the manner provided in Article II of these Amended and Restated Bylaws. Each individual Co-owner shall indemnify the Association against such damages and costs, including actual attorneys' fees, and all such costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II. The Co-owners have the responsibility to report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement as soon as it is discovered.

- Section 15. <u>Application of Restrictions to the Association</u>. None of the restrictions contained in this Article VI or elsewhere in the Condominium Documents shall apply to the Association's activities in furtherance of its powers and purposes set forth in the Condominium Documents or the Condominium Act.
- Section 16. Cost of Enforcing Documents. All costs, damages, fines, expenses or actual attorneys' fees incurred or levied by the Association in enforcing the Condominium Documents against a Co-owner or their licensees or invitees, including without limitation the restrictions set forth in this Article VI, may be assessed to, secured by the statutory lien on the Unit and collected from the responsible Co-owner or Co-owners in the manner provided in Article II of these Amended and Restated Bylaws. This includes actual costs and legal fees incurred by the Association in investigating and seeking legal advice concerning violations and responding to and defending actions relating to violations in small claims court, or any other court of competent jurisdiction.
- **Section 17.** Approvals Revocable. Any approval granted by the Board is a license. If a Coowner is not in compliance with the conditions of any Board approval, the Board may revoke the approval upon thirty (30) days written notice.

ARTICLE VII MORTGAGES

- **Section 1.** Notification of Mortgage. Any Co-owner who mortgages their Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units." The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit.
- **Section 2.** <u>Notification to Mortgagee of Insurance Company</u>. Upon written request submitted to the Association, the Association shall notify a mortgagee appearing in the Mortgages of Units book of the name of each company insuring the Common Elements against fire and perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.
- Section 3. <u>Notification to Mortgagee of Meetings</u>. Upon written request submitted to the Association, any institutional holder of a first mortgage lien on any Unit shall be entitled to receive written notification of every Association meeting and to designate a representative to attend such meeting.
- **Section 4.** <u>Notification to Mortgagees and Guarantors</u>. Upon written request submitted to the Association, any institutional holder of any mortgage or any guarantors of the mortgage covering any Unit shall be entitled to receive timely written notice of (i) any proposed action that requires the

consent of a specified percentage of mortgagees, whether contained in the Amended and Restated Master Deed or these Bylaws, (ii) any delinquency in the payment of assessments or other charges by a Coowner that is not cured within sixty (60) days, and (iii) any lapse, cancellation or material modification of any insurance policy maintained by the Association.

ARTICLE VIII MEMBERSHIP AND VOTING

- **Section 1.** <u>Association Membership</u>. Membership in the Association and voting by Association members is in accordance with the following provisions:
- A. <u>Members</u>. Each Co-owner is a member of the Association and no other person or entity is entitled to membership.
- B. <u>Co-owner's Share of the Funds</u>. A Co-owner's share in the Association's funds and assets cannot be assigned, pledged or transferred in any manner except as a Unit appurtenance.
- C. <u>Voting Rights</u>. Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Unit owned, provided that the Co-owner is in good standing. As used throughout the Condominium Documents, "good standing" means a Co-owner (or Director, as the case may be) who is current in all financial obligations owing to the Association and who is not in default of any of the provisions of the Condominium Documents. Voting shall be by number. In the case of any Unit owned jointly by more than one Co-owner, the voting rights associated with that Unit may be exercised only jointly as a single vote.
- D. <u>Evidence of Ownership for Voting Purposes</u>. No Co-owner shall be entitled to vote at any Association meeting until they have presented evidence of ownership of a Unit to the Association by way of a recorded Deed, recorded Land Contract or recorded Memorandum of Land Contract. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in subsection E below or by a proxy given by such individual representative.
- E. <u>Designation of Voting Representative</u>. Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at Association meetings and receive all notices and other communications from the Association on behalf of such Co-owner. The notice shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, limited liability company, association, trust or other entity that is the Co-owner. The Co-owner shall sign and date such notice. The Co-owner may change the individual representative designated at any time by filing a new notice in the manner provided in this subsection. At any Association meeting the chairperson of the meeting may waive the filing of such written notice as a prerequisite to voting.
- F. Quorum. The presence in person or by proxy of 35% of the Co-owners in good standing shall constitute a quorum for holding a meeting of the members of the Association. The written vote of any person furnished at or prior to any duly called meeting at which meeting such person is not otherwise present in person or by proxy, or by such date as is established for voting in cases where no meeting is held, shall be counted in determining the presence of a quorum with respect to the question upon which

the vote is cast. Any Co-owner who participates by remote communication in an Association meeting, as provided in Article IX, Section 5 below, shall also be counted in determining the necessary quorum.

- G. <u>Voting Method</u>. Votes may be cast in person, by proxy, in writing duly signed by the designated voting representative, or by any other means allowed by the voting procedures adopted by the Board of Directors for a given vote. The Board of Directors may permit the casting of votes by mail, fax, personal delivery, electronic transmission, or by other Board-approved means. Any proxies, written votes or other votes cast by permitted means must be filed with the Association's Secretary or the Association's management agent at or before the appointed time of the Association meeting or voting deadline if no meeting is held. As used in these Bylaws, "electronic transmission" means transmission by any method authorized by the person receiving such transmission and not directly involving the physical transmission of paper, which creates a record that the Association may retrieve and retain and that the Association may directly reproduce in paper through an automated process. Cumulative voting is not permitted.
- H. <u>Majority</u>. Unless otherwise provided, any action that could be authorized at an Association meeting or by written vote shall be authorized by the vote of a simple majority of those Coowners in good standing.
- I. Action without Meeting. Any action that may be taken at an Association meeting (except for electing or removing Directors) may be taken without a meeting by written vote or ballot of the Coowners. Written votes or ballots shall be solicited in the same manner as provided in these Bylaws for the giving of notice of Association meetings. Such solicitations shall specify: (1) the proposed action; (2) that the Co-owner can vote for or against any such proposed action; (3) the percentage of approvals necessary to approve the action; and (4) the time by which written votes must be received to be counted. Approval by written vote or ballot shall be constituted by receipt, within the time specified in the written vote or ballot, of a number of approvals that equals or exceeds the number of votes that would be required for approval if the action were taken at a meeting.
- Records and Books of the Association. The Association shall keep detailed books of account showing all expenditures and receipts of administration, which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. The Association's books shall be maintained in accordance with Section 57 of the Condominium Act. The books, records, contracts, and financial statements concerning the administration and operation of the Condominium shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours and at mutually convenient times. The Association shall prepare and distribute to each Co-owner at least one (1) time a year a financial statement, the contents of which shall be defined by the Association and which may be distributed by electronic transmission given in any such manner authorized by the person entitled to receive the financial statement, provided that any Co-owner may receive a written financial statement upon request. The Association shall on an annual basis have its books, records and financial statements independently audited or reviewed by a certified public accountant, as defined in Section 720 of the occupational code (MCL 339.720); provided, however, that the Association may opt out of such certified audit or review on an annual basis by an affirmative vote of a majority of the Co-owners. Any 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 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 if requested in writing. The Association shall also maintain on file current copies of the Amended and Restated Master Deed and any amendments to the Amended and Restated Master Deed and all other Condominium Documents.

ARTICLE IX MEETINGS

- Section 1. Place of Meetings. Association meetings shall be held at any suitable place convenient to the Co-owners as the Board may designate. Association meetings shall be guided by Roberts Rules of Order or some other generally recognized manual of parliamentary procedure when not otherwise in conflict with the Articles of Incorporation, the Amended and Restated Master Deed or the laws of the State of Michigan. Only Co-owners in good standing may speak at Association meetings or address the Board or Co-owners at any such meetings. Any person in violation of this provision or the rules of order governing the meeting may be removed from such meeting, without any liability to the Association or its Board of Directors.
- Section 2. Annual Meetings. The Association shall hold its annual meeting in the month of September each succeeding year at such date, time and place as the Board of Directors determines. The Board may change the date of the annual meeting in any given year, provided that at least one such meeting is held in each calendar year. Written notice of each annual meeting, as well as any change in the date of the annual meeting, shall be given to all Co-owners at least ten (10) days before the date for which the meeting is or was originally scheduled. At the annual meeting, there shall be elected by ballot or acclamation 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 Association business as may properly come before them.
- **Section 3.** Special Meetings. The President shall call a special meeting of the Co-owners as directed by Board resolution. The President shall also call a special meeting upon a petition presented to the Association's Secretary that is signed by one third (1/3rd) of those Co-owners in good standing. Notice of any special meeting shall state the time, place and purpose of such meeting. No business shall be transacted at a special meeting except as stated in the notice.
- Section 4. Notice of Meetings. The Secretary or other Board authorized person shall serve each Co-owner a notice of each annual or special meeting, stating the purpose as well as the time and place where it is to be held, at least ten (10) days, but not more than sixty (60) days, prior to the 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 pursuant to Article VIII, Section 1E of these Bylaws or to the address of the Unit owned by the Co-owner shall be deemed notice served. In lieu of the foregoing, the notice may also be given by electronic transmission, or hand delivered to a Unit if the Unit address is designated as the voting representative's address, and/or the Co-owner is a resident of the Unit. Any Co-owner may, by written waiver of notice signed by the Co-owner, waive the notice, and the waiver when filed in the Association's records shall be deemed due notice.
- Section 5. Remote Communication Attendance; Remote Communication Meetings. Coowners may participate in Association meetings by a conference telephone or by other means of remote

communication through which all persons participating in the meeting may hear each other, if the Board determines to permit such participation and (a) the means of remote communication permitted are included in the notice of the meeting or (b) if notice is waived or not required. All participants shall be advised of the means of remote communication in use and the names of the participants in the meeting shall be disclosed to all participants. Co-owners participating in a meeting by means of remote communication are considered present in person and may vote at such meeting if all of the following are met: (a) the Association implements reasonable measures to verify that each person considered present and permitted to vote at the meeting by means of remote communication is a Co-owner or proxy holder; (b) the Association implements reasonable measures to provide each Co-owner and proxy holder a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Co-owners, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with the proceedings; and (c) if any Co-owner or proxy holder votes or takes other action at the meeting by means of remote communication, the Association maintains a record of the vote or other action. A Coowner may be present and vote at an adjourned Association meeting by means of remote communication if they were permitted to be present and vote by the means of remote communication in the original meetings notice given. The Board may hold an Association meeting conducted solely by means of remote communication.

Section 6. Adjournment for Lack 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 a time not less than forty-eight (48) hours from the time the original meeting was called. The quorum for each subsequent meeting shall be reduced by 5% from the quorum requirement of the previously scheduled meeting.

Section 7. Minutes. The Association shall keep minutes or a similar record of the proceedings of all Association meetings and, 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

Association's affairs. All Directors must be Co-owners, trustees of trusts owning Units or officers, directors, members or employees of business entities owning Units. Any Director who is delinquent in any financial obligation owed to the Association, including late fees, shall pay in full the amount due within sixty (60) days of the delinquency. During the period of delinquency, the Director is not permitted to vote on any delinquency matter of another Co-owner, including matters that may affect the Director's own Unit. If the Director does not comply within the delinquency cure period, and notwithstanding the provisions of Section 6 below, the Director shall be deemed removed from the Board of Directors for the remainder of the Director's term and the vacancy shall be filled in accordance with Section 5 below. The Board shall consist of five (5) members. No two occupants of the same Unit may serve on the Board of Directors at the same time. Directors shall serve without compensation.

Section 2. Term of Directors. The respective terms of office for the Directors have been staggered based on election procedures previously adopted by the Association. In each year, either three

or two Directors shall be elected for two (2) year terms depending on how many directorships expire that year. All Directors shall hold office until their successors have been elected and hold their first meeting.

- Section 3. Powers and Duties. The Board of Directors has all powers and duties necessary for the administration of the Association's affairs and may do all acts and things as are not prohibited by the Condominium Documents or required to be exercised and done by the Co-owners. In addition to the foregoing general powers and duties imposed by these Bylaws, or any further powers and duties which may be imposed by law or the Articles of Incorporation, the Board of Directors has the following powers and duties:
- A. <u>Management and Administration</u>. To manage and administer the affairs of and maintenance of the Condominium and the Common Elements, all to the extent set forth in the Condominium Documents.
- B. <u>Collecting Assessments</u>. To collect assessments from the Co-owners and to use the proceeds for the Association's purposes.
- C. <u>Insurance</u>. To carry insurance and collect and allocate the proceeds in the manner set forth in Article IV.
- D. <u>Rebuild Improvements</u>. To rebuild improvements after casualty in the manner set forth in Article V.
- E. <u>Contract and Employ Persons</u>. To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium.
- F. <u>Real or Personal Property</u>. To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit and any easements, rights-of-way and licenses) on the Association's behalf in furtherance of any Association purposes.
- G. <u>Borrow Money</u>. To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the Association's business, 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 60% of all Co-owners in good standing.
- H. <u>Assign Right to Future Income</u>. To assign its right to future income, including the right to receive Co-owner assessment payments.
- I. <u>Rules and Regulations</u>. To make rules and regulations in accordance with Article VI, Section 11 of these Bylaws, including, without limitation, the adoption of "Community Policies & Coowner Responsibilities" that further define the policies and responsibilities of both the Association and the Co-owners.

- J. <u>Committees</u>. To establish such committees as it deems necessary, convenient or desirable and to appoint persons to such committees for implementing the administration of the Condominium and to delegate to such committees, or any specific Association Officers or Directors, any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.
 - K. <u>Enforce Documents</u>. To enforce the provisions of the Condominium Documents.
- L. <u>Administrator</u>. To do anything required of or permitted to the Association as administrator of the Condominium under the Condominium Documents.
- M. <u>General</u>. In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, repair, replacement and operation of the Condominium and the Association.
- Section 4. Professional Management. 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 in this Article. 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 Co-owners. In no event shall the Board be authorized to enter into any contract with a professional management agent in which the maximum term is greater than three (3) years, or which is not terminable by the Association upon ninety (90) days' written notice to the other party.
- Section 5. <u>Vacancies</u>. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by Co-owner vote shall be filled by majority vote of the remaining Directors even though they may constitute less than a quorum. Each person so appointed shall be a Director until the end of the term of the Director who they replaced and a successor is elected at the Association's annual meeting.
- Section 6. Removal of Directors. At any annual or special Association meeting duly called and held, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than fifty percent (50%) of all Co-owners in good standing, and a successor may then and there be elected to fill the vacancy created. The quorum requirement for the purpose of filling any vacancy shall be the normal 35% requirement set forth in Article VIII, Section 1F. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.
- Section 7. First Meeting of New Board. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place and time as shall be fixed by the Directors at the meeting at which such Directors were elected. No notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the entire Board is present at such a meeting.
- **Section 8.** Regular Meetings. Regular Board of Directors meetings may be held at such times and places as shall be determined from time to time by a majority of the Directors. At least two (2) such meetings shall be held during each fiscal year. Notice of regular Board meetings shall be given

to each Director personally, or by mail, facsimile, telephone or electronic transmission at least ten (10) days prior to the date of the meeting, unless waived by such Director.

- Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the president upon three (3) days' notice to each Director given personally, or by mail, facsimile, telephone or electronic transmission. The notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the president, secretary or other appropriate officer in like manner and on like notice on the written request of two Directors.
- Section 10. Waiver of Notice. Before or at any Board meeting, any Director may in writing or orally waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. A Director's attendance at a Board meeting shall be deemed that Director's waiver of notice. If all the Directors are present at any Board meeting, no notice shall be required and any business may be transacted at such meeting.
- Section 11. Quorum and Voting. The presence of a majority of the Directors at a meeting shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which there is a quorum shall be the acts of the Board of Directors. A Director will be considered present and may vote on matters before the Board by remote communication, electronically or by any other method giving the remainder of the Board sufficient notice of the absent Director's vote and position on any given matter. If at any Board meeting there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice. If a Director joins in the action of a meeting by signing and concurring in the minutes of that meeting, the Director shall be considered present for purposes of determining a quorum.
- Section 12. Action without Meeting. Any action permitted to be taken by the Board of Directors at a meeting of the Board shall be valid in the absence of a meeting if consented to in writing, including by electronic transmission, by a majority of the Board of Directors. Further, the presiding Association officer, in exceptional cases requiring immediate action, may poll all Directors by phone for a vote, and provided the action is consented to by the requisite number of Directors, such vote shall constitute valid action by the Board. The results of any vote along with the issue voted upon pursuant to this Section shall be noted in the minutes of the next Board meeting to take place.
- Section 13. Closing of Board of Director Meetings to Members; Privileged Minutes. The Board of Directors, in its discretion, may close a portion or all of any meeting of the Board of Directors to the Co-owners or may permit Co-owners to attend a portion or all of any meeting of the Board of Directors. Any Co-owner has the right to inspect, and make copies of, the minutes of the meetings of the Board of Directors; provided, however, that no Co-owner shall be entitled to review or copy any minutes of meetings of the Board of Directors to the extent that such minutes 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 14. Remote Communication Participation. Members of the Board of Directors may participate in any meeting by means of conference telephone or other means of remote communication through which all persons participating in the meeting can communicate with the other participants. Participation in a meeting by such means constitutes presence in person at the meeting.
- Section 15. Fidelity Bond/Crime/Employee Dishonesty Insurance. The Board of Directors shall obtain fidelity bond or equivalent employee dishonesty/crime coverage in the minimum amount of a sum equal to three months aggregate assessments on all Units plus reserve funds on hand. Such fidelity bond or equivalent employee dishonesty/crime insurance covering all officers, directors, and employees of the Association and all other persons, including any management agent, handling or responsible for any monies received by or payable to the Association (it being understood that if the management agent or others cannot be added to the Association's coverage, they shall be responsible for obtaining the same type and amount of coverage on their own before handling any Association funds). The premiums for the foregoing shall be expenses of administration.

ARTICLE XI OFFICERS

- **Section 1.** <u>Designation</u>. The principal Association officers are a president, vice president, secretary and treasurer. The Directors may appoint such other officers as may be necessary. Any two offices except that of president and vice president may be held by one person. The President must be a member of the Board of Directors.
- **Section 2.** <u>Appointment</u>. The Board of Directors shall appoint the Association's officers annually and all officers shall hold office at the Board's pleasure.
- Section 3. Removal. The Board of Directors may remove any officer either with or without cause, and the successor to the removed officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.
- Section 4. President. The president shall be the Association's chief executive officer and shall preside at all Association and Board meetings. The president has all the general powers and duties which are usually vested in the office of the president of a nonprofit corporation including, but not limited to, the power to appoint committees from among the Co-owners from time to time in the president's reasonable discretion to assist in the conduct of the Association's affairs.
- Section 5. <u>Vice President</u>. The vice president shall take the place of the president and perform the president's duties whenever the president is absent or unable to act. If neither the president nor the vice president can act, the Board of Directors shall appoint some other Board member to so do on an interim basis. The vice president shall also perform such other duties as shall from time to time be imposed by the Board of Directors.
- **Section 6.** Secretary. The secretary shall keep the minutes of all Board and Association meetings, be responsible for maintaining a record of the minutes and of such books and other records as the Board of Directors may direct, and shall in general perform all duties incident to the office of the secretary.

Section 7. Treasurer. The treasurer or management agent is responsible for keeping full and accurate accounts of all receipts and disbursements in the Association's books. The treasurer shall also be responsible for depositing all money and other valuable Association papers, in the name of and to the Association's credit, in such depositories that the Board may designate from time to time.

ARTICLE XII FINANCES

- **Section 1.** 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. The commencement date of the fiscal year of the Association shall be subject to change by the Board of Directors for accounting reasons or other good cause.
- Section 2. <u>Banking</u>. Association funds shall be deposited in such bank or other depository as the Board may designate and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by Board resolution from time to time.
- **Section 3.** <u>Investment of Funds.</u> Association funds shall only be held in accounts that are fully insured or backed by the full faith and credit of the United States Government. The Association may only utilize depositories or instruments where there is no risk of principal loss for investment of its monies.

ARTICLE XIII INDEMNIFICATION

Indemnification of Directors, Officers and Volunteers. The Association shall indemnify every Director, officer and volunteer of the Association against all expenses and liabilities, including reasonable attorney fees and amounts paid in settlement incurred by or imposed upon the Director, officer or volunteer in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, to which the Director, officer or volunteer may be a party or in which they may become by reason of their being or having been a Director, officer or volunteer of the Association, whether or not they are a Director, officer or volunteer at the time such expenses are incurred, so long as the person acted in good faith and in a manner that they reasonably believed to be in or not opposed to the Association's best interests and, with respect to any criminal action or proceeding, had reasonable cause to believe that their conduct was lawful; provided, however, that the Association shall not indemnify any such person with respect to any claim, issue, or matter as to which such person has been finally adjudged to be liable for gross negligence or misconduct in the performance of his duty to the Association unless and only to the extent that a court shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses as the court shall deem proper. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled. The Board of Directors shall notify all Co-owners of payment of any indemnification that it has approved at least ten (10) days before payment is made. The indemnification rights of this Article shall always be construed to be consistent with those contained in the Association's Articles of Incorporation.

Section 2. <u>Directors' and Officers' Insurance</u>. 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. 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 to a Director or officer is inadequate to pay any expenses or liabilities otherwise properly indemnifiable under the terms of this Article, a Director or officer shall be reimbursed or indemnified only for such excess amounts under Section 1 above or other applicable statutory indemnification.

ARTICLE XIV COMPLIANCE

- Section 1. <u>Compliance with Condominium Documents</u>. The Association and all present or future Co-owners, tenants, future tenants, 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 provisions of the Act and the Condominium Documents. In the event that such Amended and Restated Master Deed, these Bylaws, or Articles of Incorporation conflict with the provisions of any Statute, the Statute shall govern. If any provision of these Bylaws conflicts with any provision of the Amended and Restated Master Deed, the Amended and Restated Master Deed shall govern.
- **Section 2.** Amendment. These Bylaws may be amended in accordance with the Act and the provisions of Article VIII of the Amended and Restated Master Deed.
- Section 3. <u>Definitions</u>. All terms used in these Amended and Restated Bylaws shall have the same meaning as set forth in the Amended and Restated Master Deed, or as set forth in the Condominium Act.

ARTICLE XV REMEDIES FOR DEFAULT

- **Section 1.** <u>Default by a Co-owner.</u> Any Co-owner default shall entitle the Association or another Co-owner or Co-owners to the following relief:
- A. Remedies for Default by a Co-owner to Comply with the Documents. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination of the foregoing, and such relief may be sought by the Association, or, if appropriate, by an aggrieved Co-owner or Co-owners.
- B. <u>Costs Recoverable from Co-owner</u>. A Co-owner's, non-Co-owner occupant's or guest's failure to comply with the Condominium Documents shall entitle the Association to recover from such Co-owner or non-Co-owner resident or guest the pre-litigation costs and actual reasonable attorneys' fees incurred in obtaining their compliance with the Condominium Documents. In addition, in any proceeding arising because of an alleged default by any Co-owner, or in cases where the Association must defend an action brought by any Co-owner(s) or non-Co-owner residents or guests, and regardless if the claim is original or brought as a defense, a counterclaim, cross claim or otherwise, the Association,

if successful, shall be entitled to recover from such Co-owner or non-Co-owner resident or guest pre-litigation costs, the costs of the proceeding and actual attorney's fees (not limited to statutory fees), incurred in defense of any claim or obtaining compliance or relief, but in no event shall any Co-owner be entitled to recover such attorney's fees or costs against the Association. The Association, if successful, shall also be entitled to recoup the costs and attorneys' fees incurred in defending any claim, counterclaim or other matter.

- C. <u>Association's Right to Abate</u>. The violation of any of the provisions of the Condominium Documents shall give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements 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. The Association has no liability to any Co-owner arising out of its exercise of its removal and abatement power.
- D. <u>Assessment of Fines</u>. The violation of any of the provisions of the Condominium Documents by any Co-owner or their licensees or invitees shall be grounds for assessment by the Association, acting through its Board of Directors, of monetary fines for such violations in accordance with Article XVI of these Bylaws.
- **Section 2.** <u>Failure to Enforce Rights</u>. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition that 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. <u>Cumulative Rights</u>. 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 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.
- Section 4. Rights of Co-owners. A Co-owner may maintain an action against the Association to compel enforcement of the provisions of the Condominium Documents, and may maintain an action for injunctive relief or damages against any other Co-owner for noncompliance with the Condominium Documents. Even if successful, Co-owners may not recover attorneys' fees from the Association, but may recover such fees from another Co-owner if successful in obtaining compliance with the Condominium Documents.

ARTICLE XVI FINES

Section 1. General. The violation by any Co-owner, 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 their personal actions or the actions of their family, guests, tenants or any other person admitted through such Co-owner to the Condominium.

Section 2. <u>Procedures.</u> Prior to imposing any fine, the Board will adhere to the following procedures:

- A. <u>Notice</u>. 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, electronic transmission, or personally delivered to the representative of such Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Article VIII, Section 1E of these Bylaws.
- B. <u>Hearing and Decision</u>. The offending Co-owner shall be provided a scheduled hearing before the Board at which the Co-owner may offer evidence in defense of the alleged violation. Except as otherwise determined by the Board, the hearing before the Board may be at its next scheduled meeting, but in no event shall the Co-owner be required to appear less than 7 days from the date of the notice. Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or in the event the Co-owner fails to appear at the scheduled hearing, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

Section 3. <u>Fines.</u> Upon violation of any of the provisions of the Condominium Documents and upon the decision of the Board as recited above, the following fines may be levied:

FIRST VIOLATION No fine will 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

SECOND VIOLATION \$25.00 Fine

THIRD VIOLATION \$100.00 Fine

FOURTH VIOLATION \$300.00 Fine

AND ALL SUBSEQUENT VIOLATIONS

The Board of Directors may make changes in fine amounts or adopt alternative fines pursuant to Article VI, Section 11 of these Bylaws and without the necessity of amending these Bylaws. For purposes of this Section, the number of the violation (i.e. first, second etc.) is determined with respect to the number of times that a Co-owner violates the same provision of the Condominium Documents, as long as that Co-owner may be an owner of a Unit or occupant of the Condominium, and is not based upon time or violations of entirely different provisions. In the case of continuing violations, a new violation will be deemed to occur each successive week during which a violation continues or in intervals as may be set forth in the Association's rules and regulations; however, no hearings other than the first hearing shall be required for successive violations if a violation has been found to exist. Nothing in this Article shall be construed as to prevent the Association from pursuing any other remedy under

the Condominium Documents or the Condominium Act for the violations, or from combining a fine with any other remedy or requirement to redress any violation.

Section 4. Collection of Fines. The fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be immediately due and payable. 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 XV of these Bylaws.

ARTICLE XVII SEVERABILITY

If any term, provision, or covenant of these Bylaws or the Condominium Documents is held to be partially or wholly invalid or unenforceable for any reason, the holding shall not affect, alter, modify or impair in any manner any other term, provision or covenant of any documents or the remaining portion of any term, provision or covenant that is held to be partially invalid or unenforceable.

CONDOMINIUM SUBDIVISION PLAN THE SANCTUARY IN THE HILLS

PART OF THE SOUTHEAST QUARTER OF SECTION 32, OF ROCHESTER HILLS, SANCTUARY IN THE EXHIBIT "B" TO THE MASTER DEED OF OAKLAND COUNTY CONDOMINIUM OAKLAND COUNTY, MICHIGAN PLAN No. 1426 T.3N., R.11E., CITY SUBDIVISION REPLAT

TITLE, DESCRIPTION

DRAWING INDEX:

SITE PLAN -SURVEY PLAN

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SITE PLAN SITE PLAN SITE PLAN BUILDING PLAN A-1

BUILDING PLAN A

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UTILITY PLAN

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BUILDING PLAN

along the East—West 1/4 line of Section 32 to the West line of of Section 32; thence along the South line of Section 32, also thence N.31º29'24" W. 300.66 feet; thence N.02º19'24" W. 381.09 feet; 2. N.20°26'34"E. 106.87 feet; 3. N.02°41'54"W. 41.56 feet 1. N.02°41'54"W. 310.68 N.66°27'02"W. 334.82 feet; thence S.83°11'50"W. 54.94 feet to T.3N., R11E., City of Rochester Hills, Oakland County, Michigan being described as: Commencing at the South Quarter corner 1215.37 the North-South 1/4 line of Section 32; thence N.06º49'01"W. 476.41 feet along the North-South 1/4 line of Section 32 to to the Point of Beginning; thence N.44°29'24"W. 622.54 feet; 1402.26 feet feet; thence N.39°44'24"W. 199.51 feet; thence N.70°04'24"W. feet; thence the following 3 courses along the West line of Sanctuary Boulevard (66.00 feet wide); thence S.02º41'54"E. Part of the West 1/2 of the Southeast 1/4 of Section 32, 247.52 feet; thence N.28°19'24"W. 246.84 feet; thence being the centerline of South Boulevard N.89°42'52"E. the Center of Section 32; thence N.88°34'51"E. 2173.77 feet to the Point of Beginning. Containing 37.37 acres, more or less. Sanctuary Boulevard (width variable):

THE ASTERISK (*) AS SHOWN IN THE INDEX INDICATES AMENDED OR SUPPLEMENTAL SHEETS WHICH ARE REVISED OR NEW SHEETS DATED MARCH 14, 2008. THESE SHEETS SHEETS PREVIOUSLY RECORDED.

SSOCIATES,

13399 WEST STAR DRIVE SHELBY TOWNSHIP,

SOCIATES, PHONE: 586.254.9577

SURVEYING, INC. WWW.FENKINGCOM

LAND SURVEYORS AND CIVIL ENGINEERS

SHEET 1 OF 19

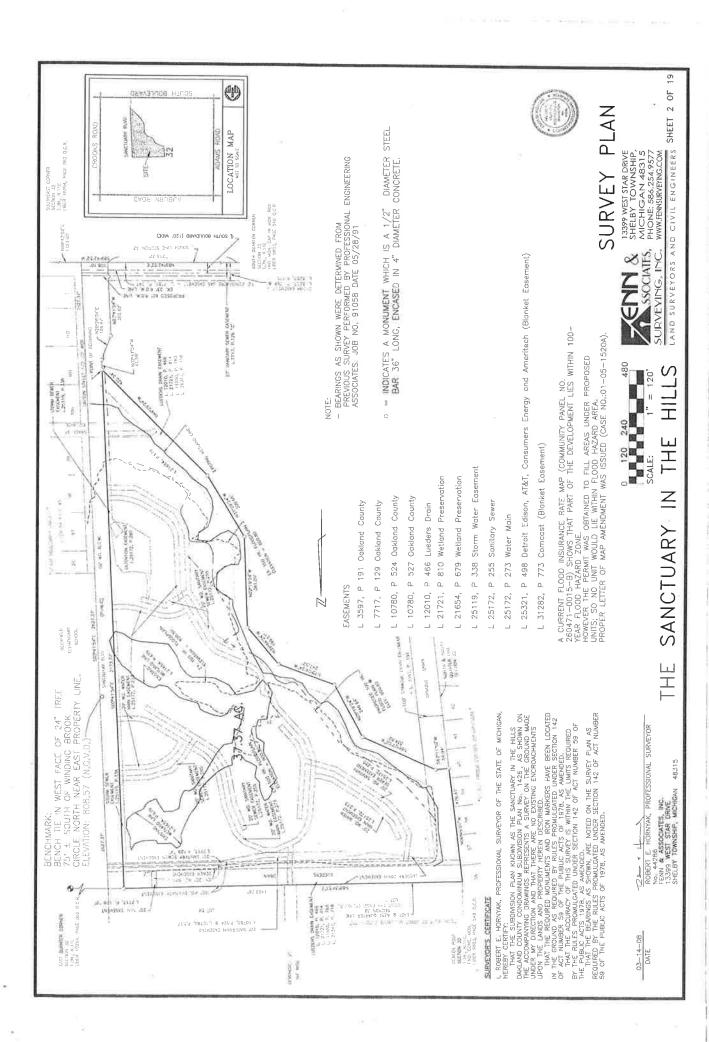
NEUMANN HOMES OF MICHIGAN L.L.C.,
AS SUCCESSOR BY MERGER TO SANCTUARY
OF ROCHESTER L.L.C.
210 TOWN CENTER DRIVE
TROY, MI 48084 DEVELOPER:

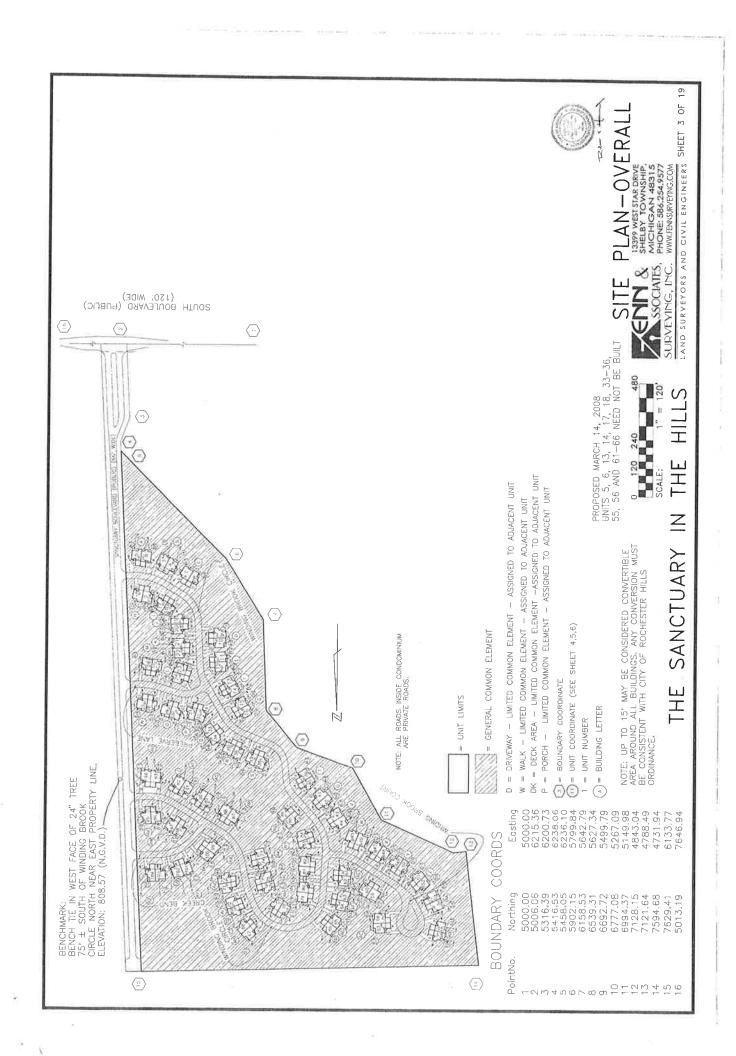
SHELBY TOWNSHIP, MI 48315

SURVEYOR: FENN & ASSOCIATES SURVEYING, INC 13399 WEST STAR DRIVE

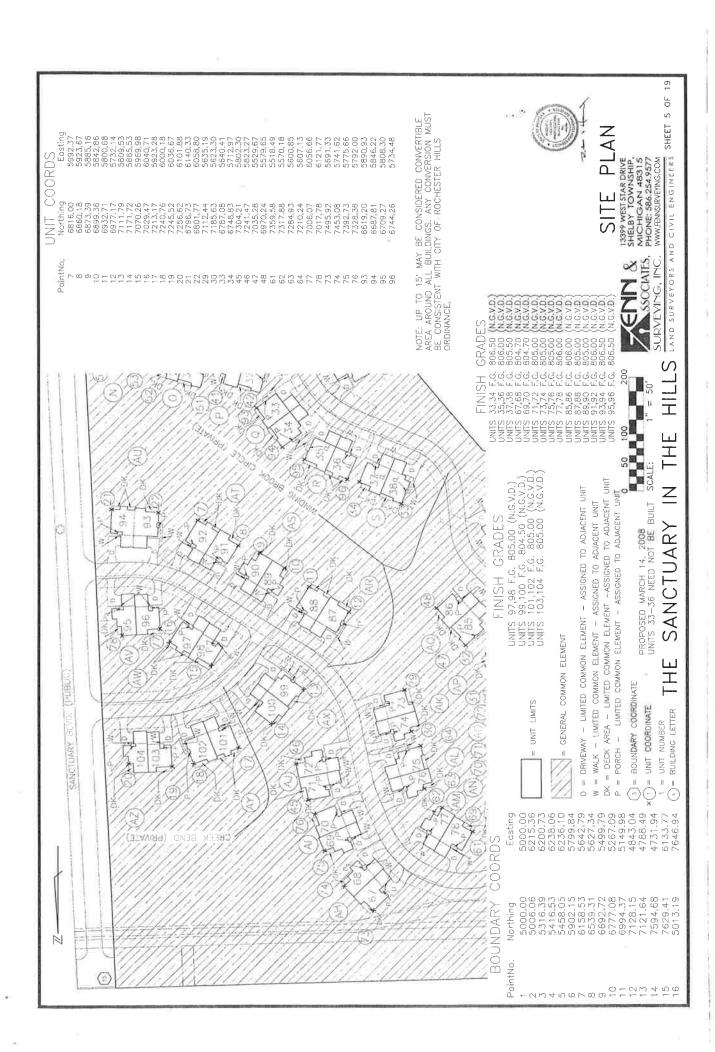
Subject to any and all easements and rights of way of record

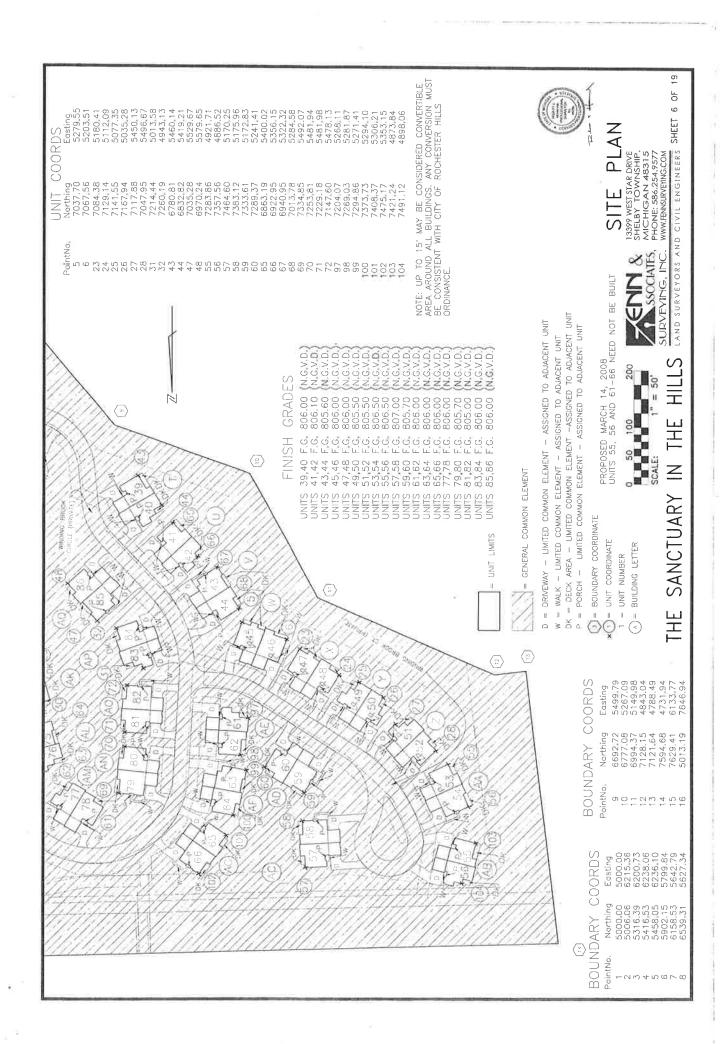
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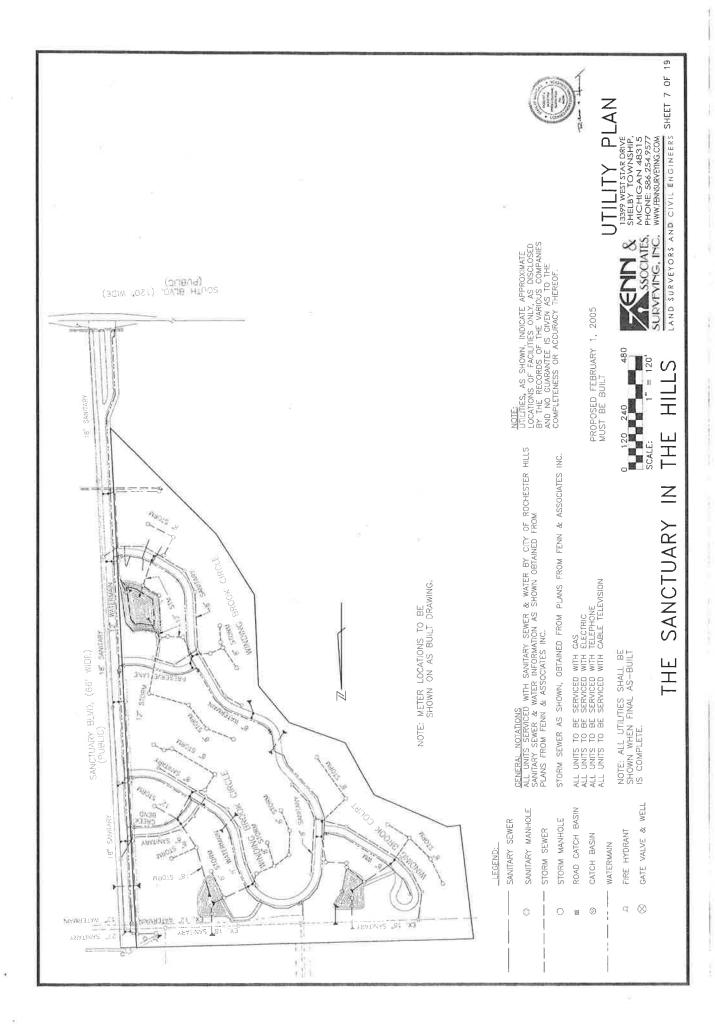


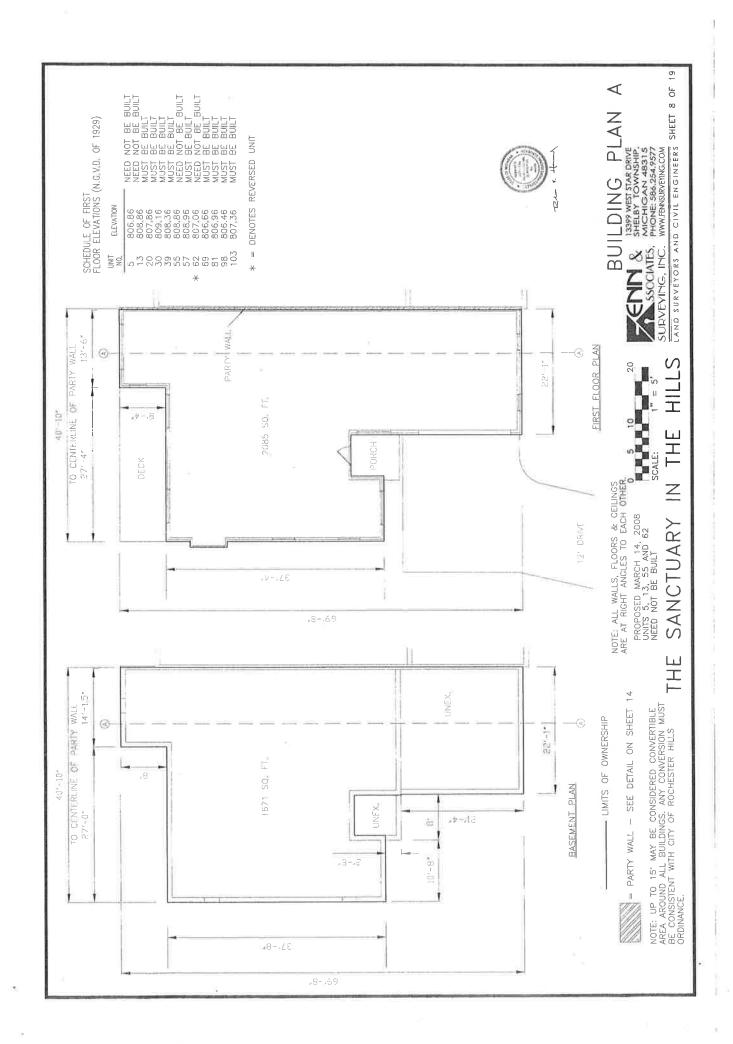


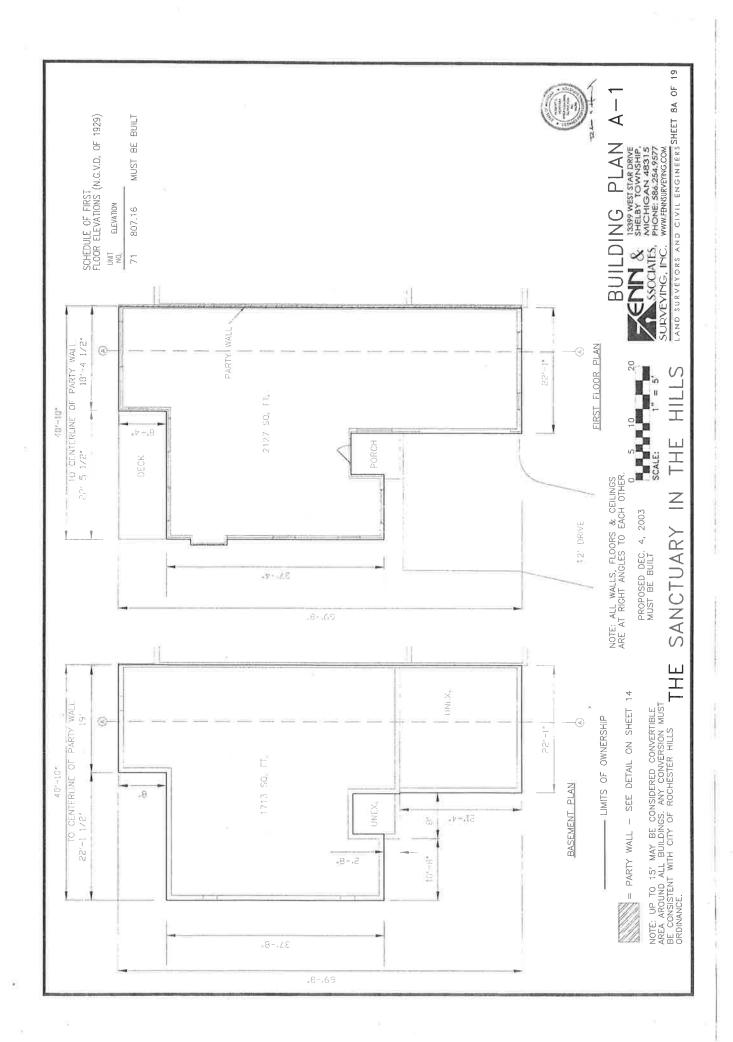


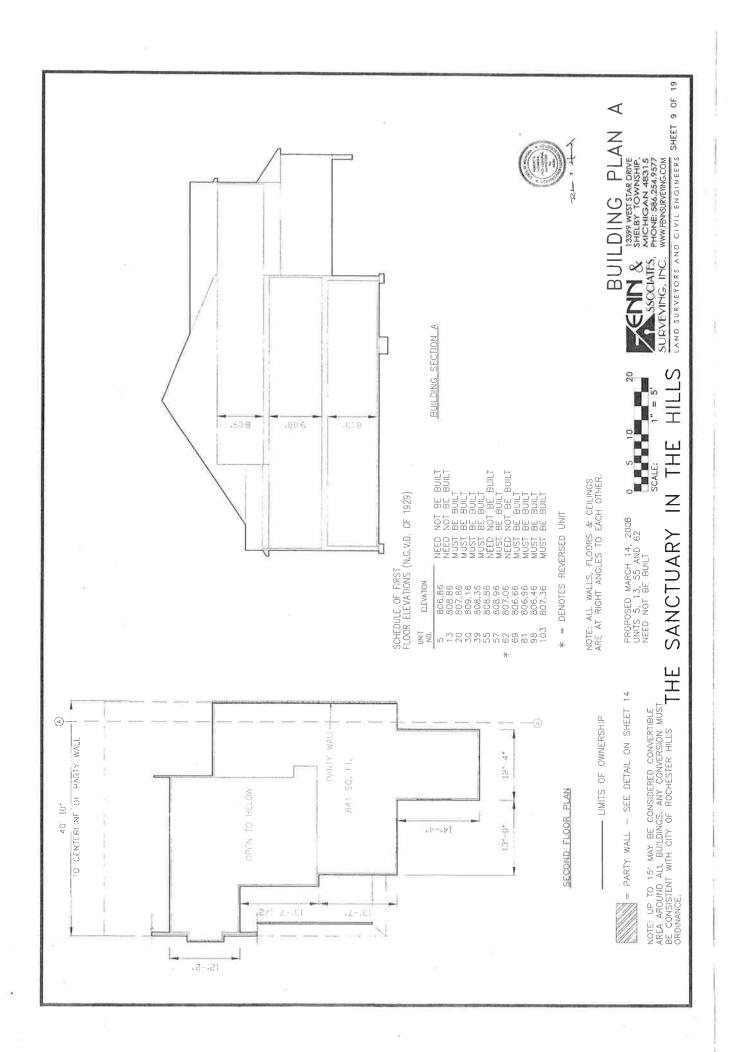


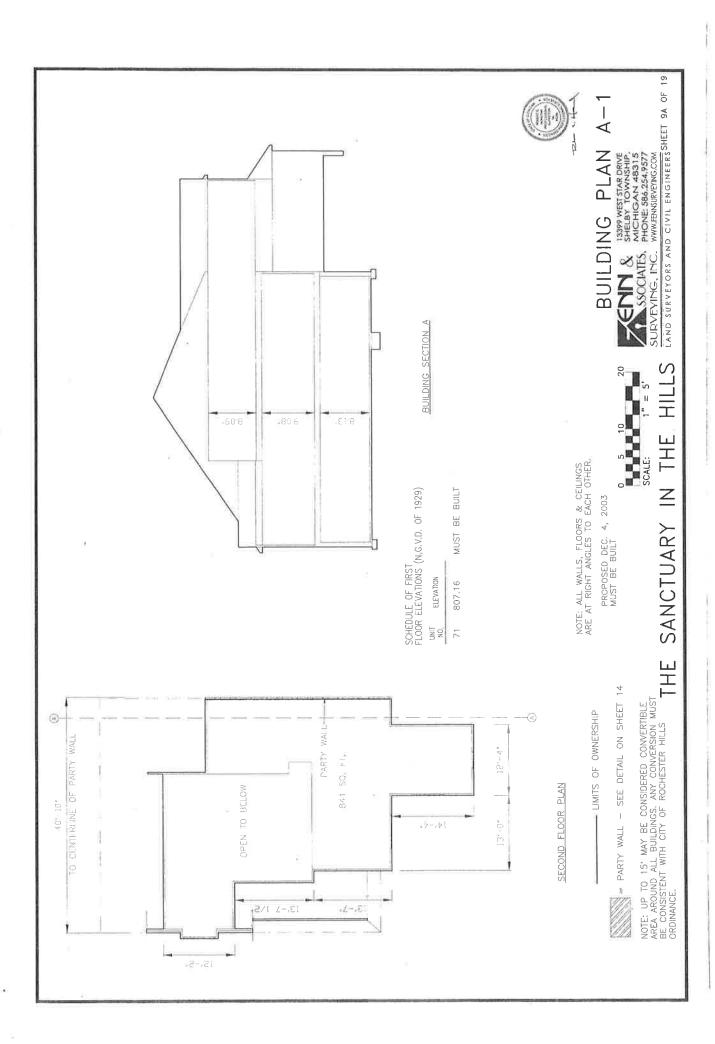


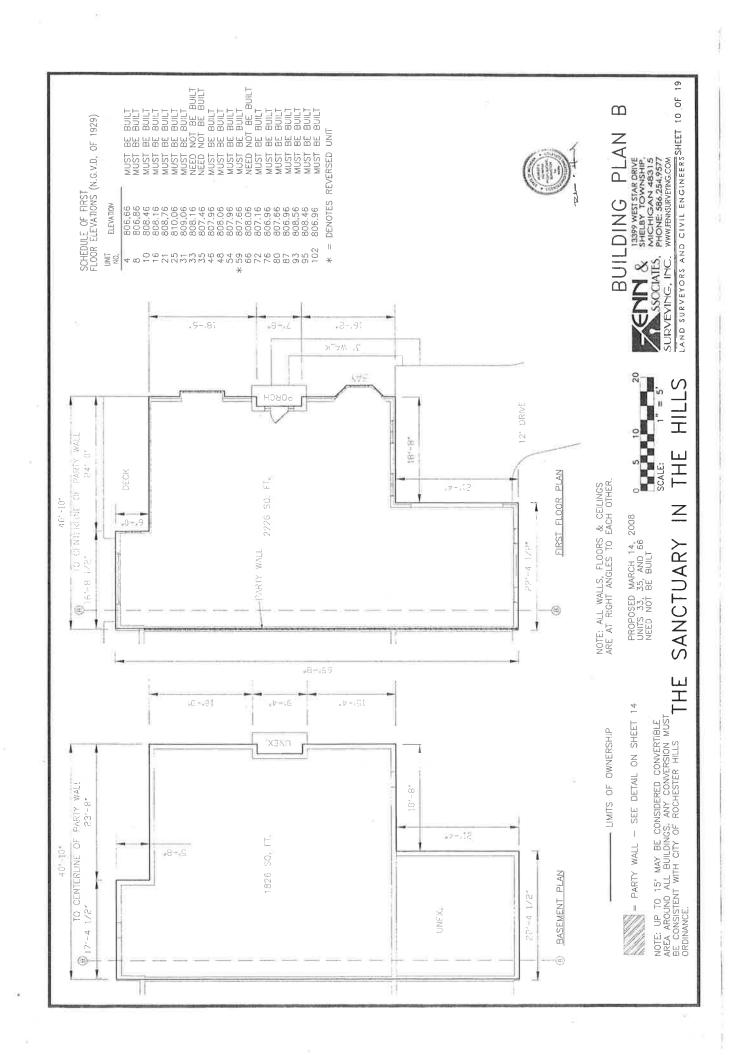


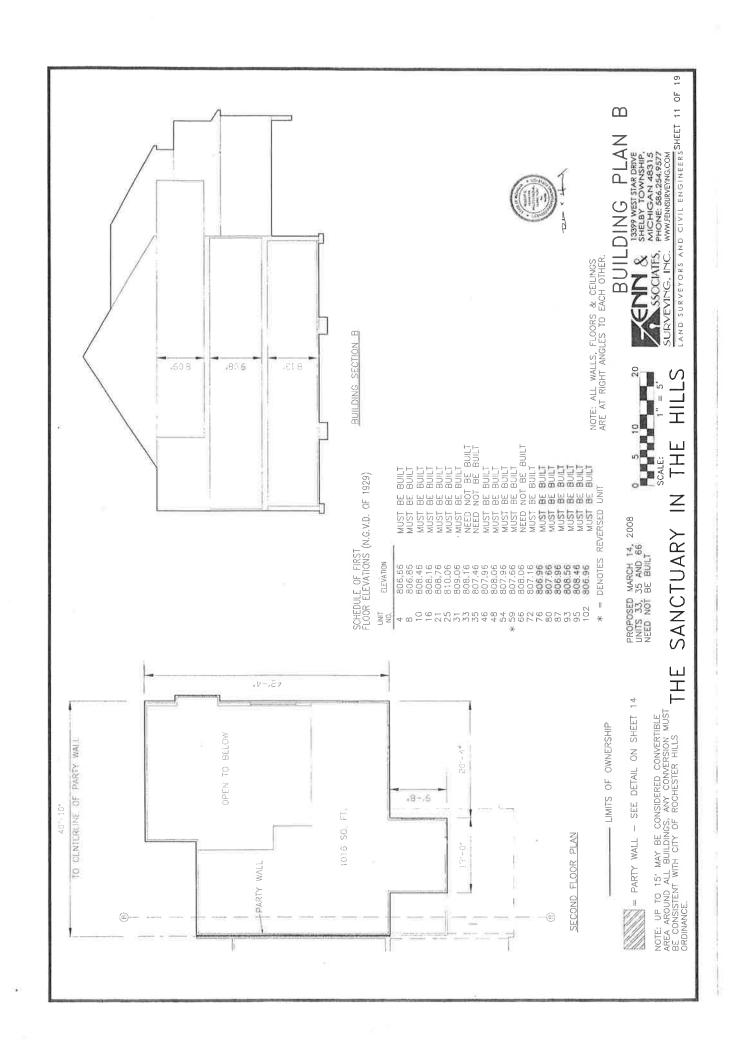


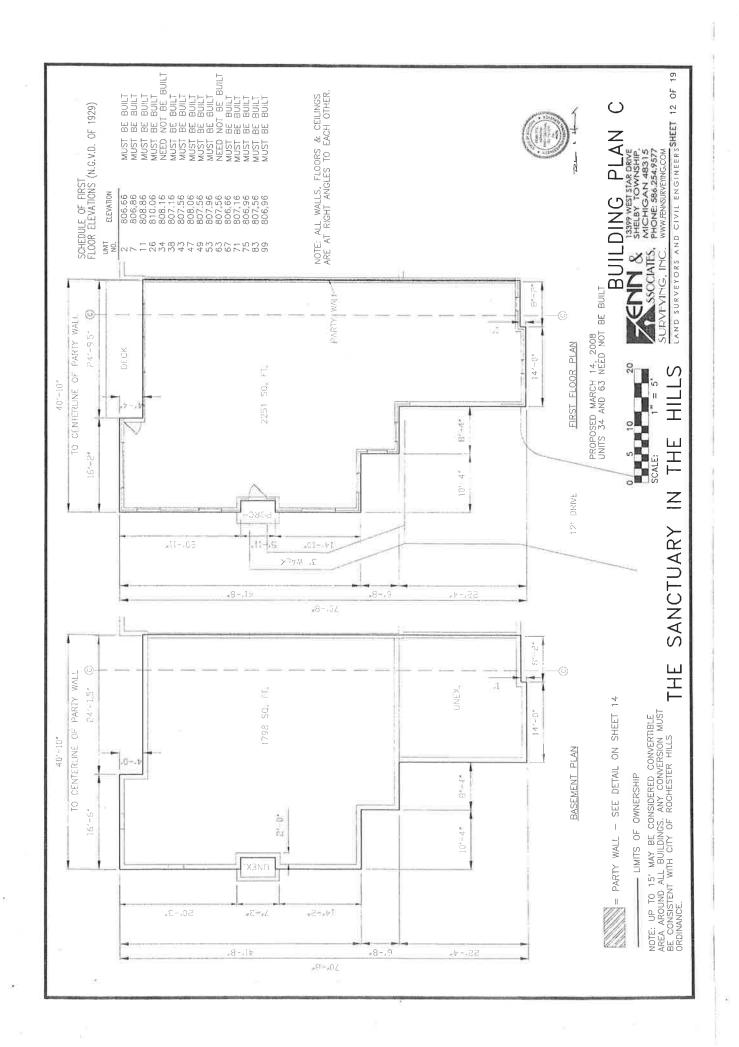


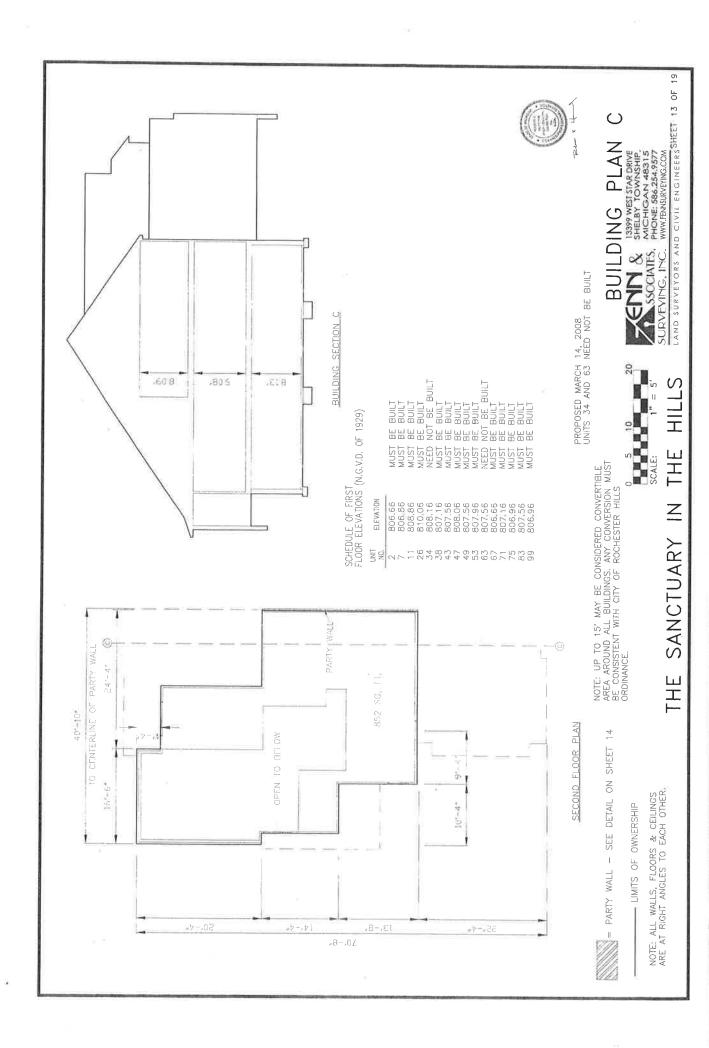


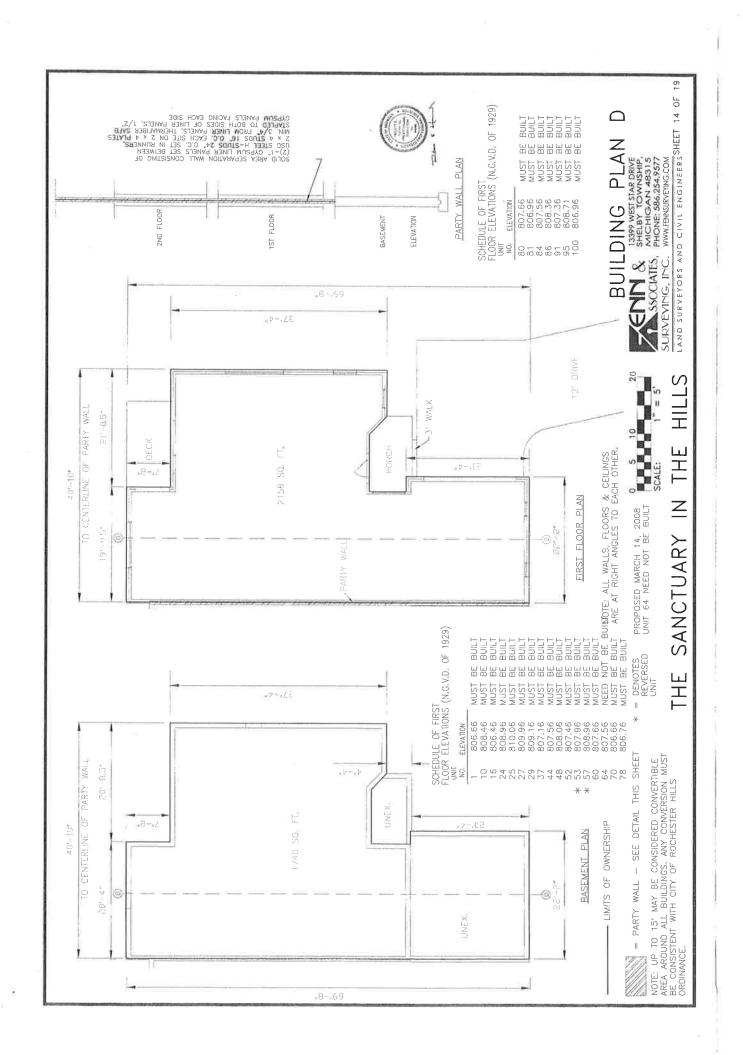


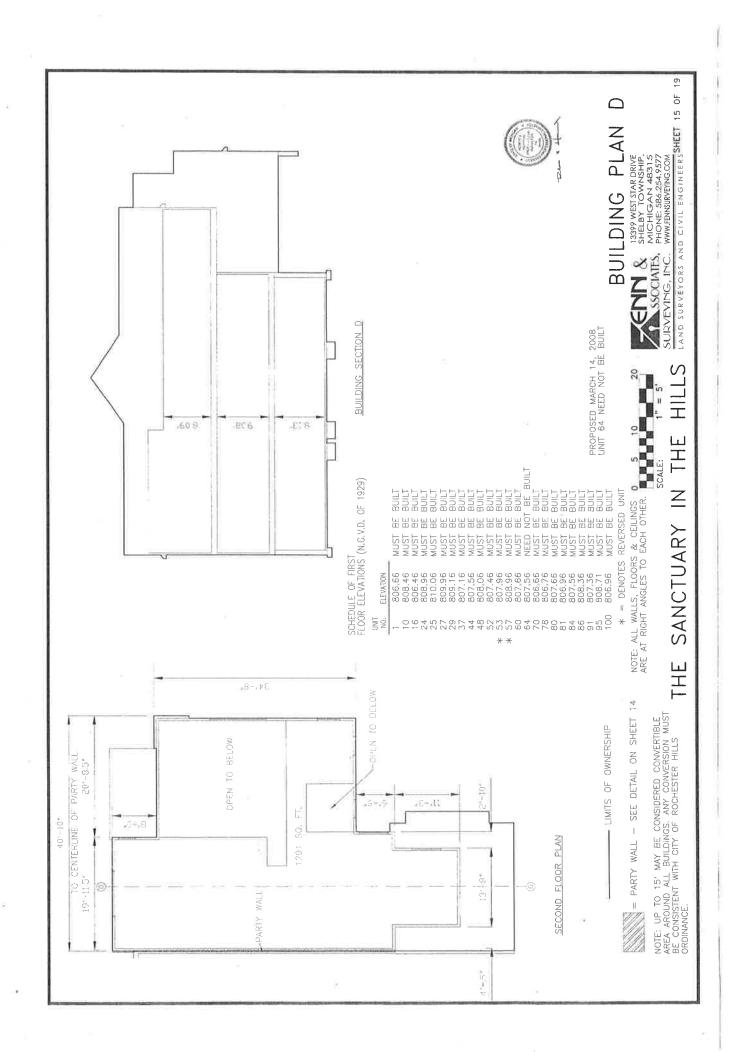


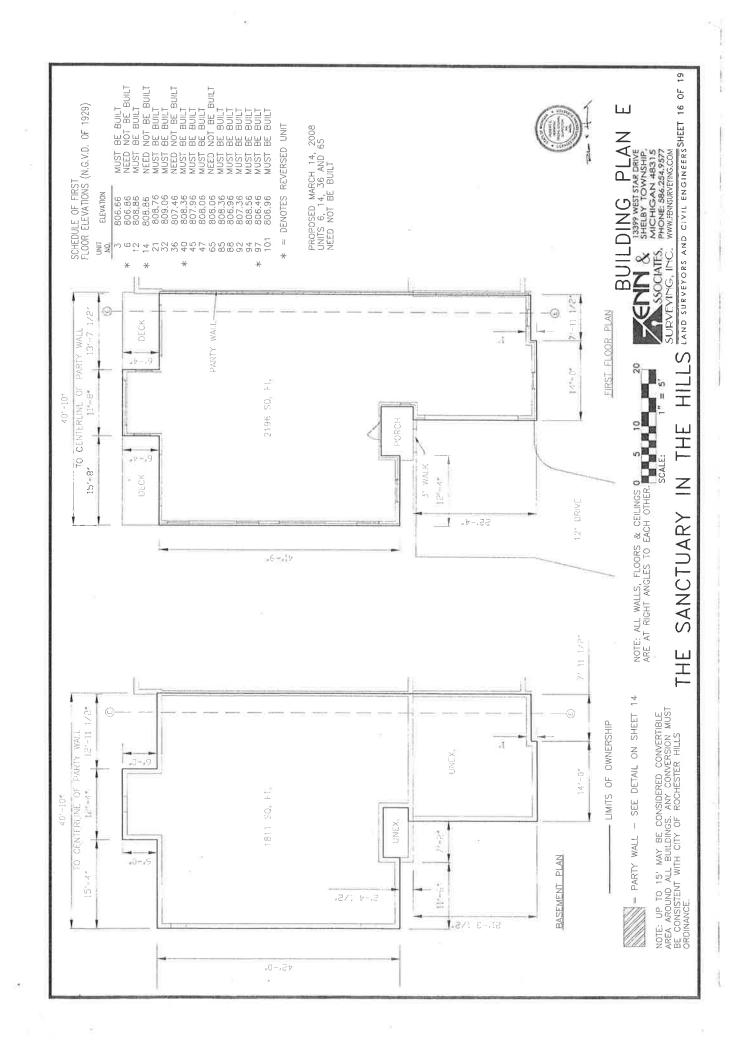


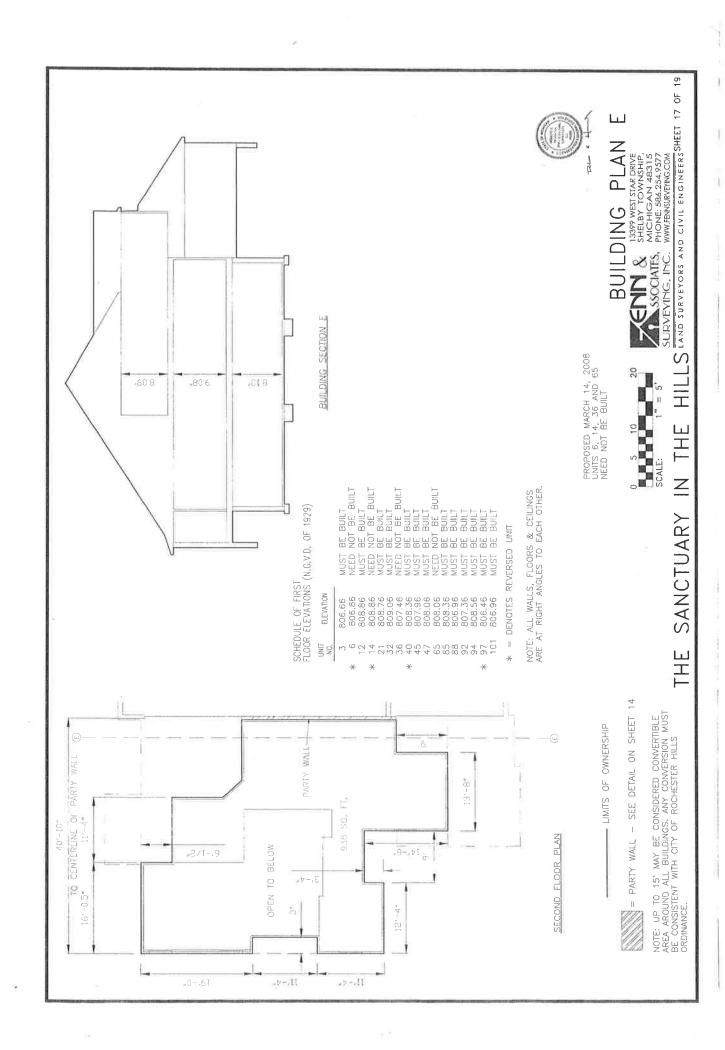


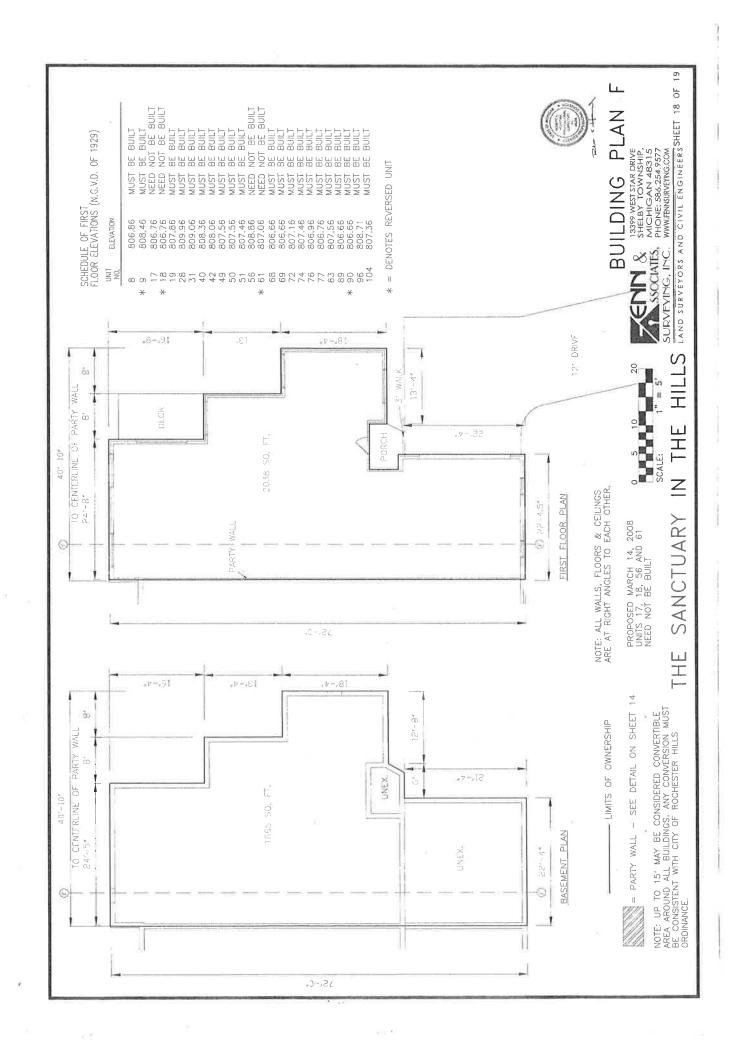




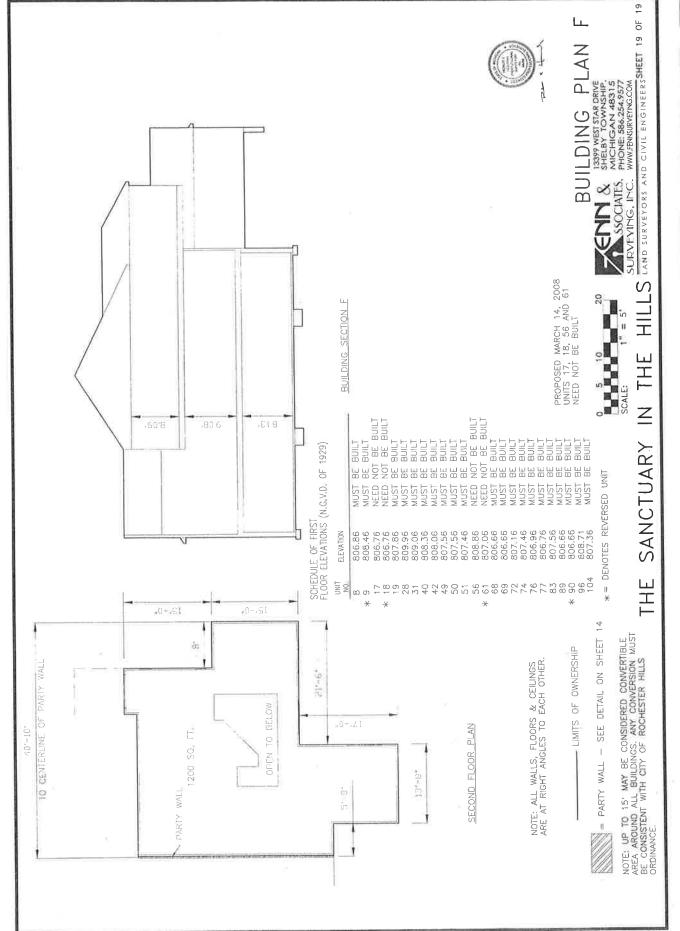












ARTICLES OF INCORPORATION THE SANCTUARY IN THE HILLS CONDOMINIUM ASSOCIATION

Michigan Department of Consumer and Industry Services

Filing Endorsement

This is to Certify that the ARTICLES OF INCORPORATION - NONPROFIT

for

THE SANCTUARY IN THE HILLS CONDOMINIUM ASSOCIATION

ID NUMBER: 775737

received by facsimile transmission on March 22, 2002 is hereby endorsed Filed on March 22, 2002 by the Administrator.

The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.



In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 22nd day of March, 2002.

, Director

Bureau of Commercial Services

MICHIGAN DEPARTMENT	OF CONSUMER AND INDUS	STRY SERVICES - CORPORA	ATION, SECURITIES AND LAND DEVELOPMENT BUREAU
Date Received	3	This document is effecti	FOR BUREAU USE ONLY) ve on the date filed, unless a subsequent effective date ejved date is stated in the document.
Name		سنم.	
George J. Mager, Jr		**	
Cox, Hodgman & G	iarmarco, P.C.		
		W	
<u> </u>			EFFECTIVE DATE:
Address			
101 West Big Beave	r Road		1
Tenth Floor Columb	ia Center		*
City	State	Zip Code	-
Troy, Michigan 480	84		
	For use t		Corporations
Pursuant to t ollowing Articles:	he provisions of Act 1	62, Public Acts of 19	982, the undersigned corporation executes
ARTICLE I			
The name of the cor	poration is:	**************************************	

ARTICLE II

The purpose or purposes for which the corporation is organized are:

(a) To manage and administer the affairs of and to maintain The Sanctuary in the Hills, a condominium project (the "Condominium") and the Common Elements thereof;

THE SANCTUARY IN THE HILLS CONDOMINIUM ASSOCIATION

(b)	To levy and collect	assessments again	st and from	the members	of the Corporatio	n and to
use the proceed	is thereof for the purp	oses of the Corpora	ition;			

- (c) To carry insurance and to collect and allocate the proceeds thereof;
- (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms or corporations to assist in management, operation, maintenance and administration of the Condominium;
- (f) To make and enforce reasonable regulations concerning the use and enjoyment of the Condominium;
- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as Landlord or Tenant) any real and personal property, including, but not limited to, any Unit in the Condominium or any other real property, whether or not contiguous to the Condominium, for the purpose of providing benefit to the members of the Corporation; and in furtherance of any of the purposes of the Corporation;
- (h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;
- (i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and Rules and Regulations of the Corporation as may hereafter be adopted;
- (j) To do anything required of or permitted to it as Administrator of said Condominium by the Condominium Master Deed or Bylaws or Act No. 59 of Public Acts of 1978, as amended;
- (k) To engage in any activity, to make and perform any contract, and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes set forth above.

ARTICLE III

1.	The corporation is organized upon aNON	STOCK	_ basis.
	(Stock or Nonstock)		
2.	If organized on a stock basis, the total number of s $\frac{N/A}{designation}$ of each class, the number of shares limitations of the shares of each class are as follows:	If the shares are, or are to be, divided in each class, and the relative rights,	into classes, the
		N/A ,,	

ART	(CLE	111	(cont.)	
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ARTICLE III (CONT.)		
3. a. If organized on a nonstock basis, the o		y assets are: (if none, insert
, b. The description and value of its persor	NONE nal property assets are: (if none, insert	"none")
	<u> </u>	
c. The corporation is to be financed unde	NONE er the following general plan:	
	SESSMENTS OF MEMBERS	
d. The corporation is organized on a	MEMBERSHIP nip or Directorship)	basis.
[MIGUIDE) 211	ip of Directorship)	*1 (1)
ARTICLE IV		
The address of the registered office is:		40,440
2038 WEST BIG BEAVER ROAD.	TROY, , ,	Michigan 48084
(Bt/mpt Add(max)	(City)	(ZIP Code
2. The mailing address of the registered offi	ice, if different than above:	
SAME AS ABOVE		Michigan
(Street Address or P.O. Box)	(alty)	ØIF Code
 The name of the resident agent at the reg 	gistered office is: JUDY KENN	NEDY
ARTICLE V		
The name(s) and address(es) of the incorpora	rator(s) is (are) as follows:	m+0
Name	Residence or Busine	ess Address
JUDY KENNEDY	2038 WEST BIG BEAVE	R ROAD, SUITE 200
	TROY, MICHIGAN 4808	4
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Use space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added. Attach additional pages if needed.

ARTICLE VI

Any action required or permitted by the Act to be taken at an annual or special meeting of members may be taken without a meeting, without prior notice and without a vote, if consents in writing, setting forth the action so taken, are signed by the holders of memberships having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all members entitled to vote on the action were present and voted. The written consents shall bear the date of signature of each member who signs the consent. No written consents shall be effective to take the corporate action referred to unless, within 60 days after the record date for determining members entitled to express consent to or to dissent from a proposal without a meeting, written consents signed by a sufficient number of members to take the action are delivered to the Corporation. Delivery shall be to the Corporation's registered office, its principal place of business, or an officer or agent of the Corporation having custody of the minutes of the proceedings of its members. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to members who have not consented in writing.

The qualifications of members, the manner of their admission to the Corporation, the termination of members, and voting by such members shall be as follows:

- (a) Each Co-owner (including the Developer) of a Unit in the Condominium shall be a member of the Corporation, and no other person or entity shall be entitled to membership; except that the subscribers hereto shall be members of the Corporation until such time as their membership shall terminate, as hereinafter provided.
- (b) Membership in the Corporation (except with respect to any non-co-owner incorporators, who shall cease to be members upon the qualification for membership of any Co-owner) shall be established by acquisition of fee simple title to a Unit in the Condominium and by recording with the Register of Deeds in the county where the Condominium is located, a deed or other instrument establishing a change of record title to such Unit and the furnishing of evidence of change of record title to such Unit and the furnishing of evidence of same satisfactory to the Corporation (except that the Developer of the Condominium shall become a member immediately upon establishing of the Condominium) the new Co-owner thereby becoming a member of the Corporation, and the membership of the prior Co-owner thereby being terminated.
- (c) The share of a member in the funds and assets of the Corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to his Unit in the Condominium.
- (d) Voting by members shall be in accordance with the provisions of the Bylaws of this Corporation.

ARTICLE VII

A volunteer director or volunteer officer shall not be personally liable to the Corporation or its members for monetary damages for a breach of fiduciary duty of a director or officer, except for liability for:

- (i) Any breach of the director's or officer's duty of loyalty to the Corporation or its members.
- (ii) Any acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law.
- (iii) Any violation of section 551(1) of the Michigan Nonprofit Corporation Act.
- (iv) Any transaction from which the director or officer derived an improper personal benefit.
- (v) Any act or omission occurring before the date this document is filed with the Michigan Department of Consumer & Industry Services Corporation, Securities and Land Development Bureau.
- (vi) Any act or omission that is grossly negligent.

If, after the adoption of this Article by the members of the Corporation, the Michigan Nonprofit Corporation Act is hereafter amended to further eliminate or limit the liability of a director or officer, then a director or officer of the Corporation (in addition to the circumstances in which a director or officer is not personally liable as set forth in the preceding paragraph) shall not be liable to the Corporation or its members to the fullest extent permitted by the Michigan Nonprofit Corporation Act, as so amended.

Any repeal or modification of this Article by the members of the Corporation shall not adversely affect any right or protection of a director or officer of the Corporation existing at the time of such repeal or modification.

For purposes of this Article, "volunteer director" or "volunteer officer" shall mean any director or officer who does not receive anything of value from the Corporation for serving as a director or officer other than reasonable per diem compensation and reimbursement for actual, reasonable, and necessary expenses incurred by a director or officer in his or her capacity as a director or officer.

ARTICLE VIII

The Corporation hereby assumes the liability for all acts or omissions of a volunteer director, volunteer officer or other volunteer occurring on or after the date this document is filed with the Michigan Department of Consumer & Industry Services - Corporation, Securities and Land Development Bureau only if all of the following are met:

- (i) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority;
- (ii) The volunteer was acting in good faith;
- (iii) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct;

- (iv) The volunteer's conduct was not an intentional tort; and
- (v) The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in Section 3135 of the Insurance Code of 1956, Act No. 218 of the Public Acts of 1956, being Section 500.3135 of the Michigan Compiled Laws.

If, after the adoption of this Article by the members of the Corporation, the Michigan Nonprofit Corporation Act is hereafter amended, although it continues to require that the Corporation assume the liability of a volunteer, then the Corporation shall continue to assume the liability of such volunteer to the fullest extent permitted by the Michigan Nonprofit Corporation Act, as so amended.

Any repeal or modification of this Article by the members of the Corporation shall not adversely affect any right or protection of a volunteer of the Corporation existing at the time of such repeal or modification.

For purposes of this Article, "volunteer director," "volunteer officer" or "other volunteer" shall mean any individual performing services for the Corporation who does not receive compensation or any other type of consideration for the services other than reimbursement for expenses actually incurred.

I, (We), the incorporator(s) sign my (our) name(s) this	day of MARCH , 2001.
	00 00 MANCH, 2001.
UNDERENNEDY JOHNSON	
C&S 502	*
Name of person or organization remitting fees:	Preparer's name and business telephone number: GEORGE J. MAGER, JR.
COX, HODGMAN & GIARMARCO, P.C.	<u>(248) 457-7110</u>

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CERTIFICATE OF AMENDMENT TO THE ARTICLES OF INCORPORATION THE SANCTUARY IN THE HILLS CONDOMINIUM ASSOCIATION

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BCS/CD-515 (Rev. 1/15)				
	DEPARTMENT OF LICE!			
Date Received		(FOR BL	IREAU USE ON	ILY) \$10pl V
				18051554400603
	This document is effective or subsequent effective date will date is stated in the document	thin 90 day		FILED
Name Stephen M. Guer	ra			MAY 1 7 2018
Address 30140 Orchard La				ADMINISTRATOR CORPORATIONS DIVISION
City	State		Zip Code	
Farmington Hills	MI		48334	EFFECTIVE DATE:

Document will be returned to the name and address you enter above. If left blank document will be mailed to the registered office.

CERTIFICATE OF AMENDMENT TO THE ARTICLES OF INCORPORATION

For use by Domestic Profit and Nonprofit Corporations

(Please read information and instructions on the last page)

Pursuant to the provisions of Act 284, Public Acts of 1972 (profit corporations), or Act 162, Public Acts of 1982 (nonprofit corporations), the undersigned corporation executes the following Certificate:

1.	The present name of the corporation is: The Sanctuary in	the Hills Condominium Association
2.	The identification number assigned by the Bureau is:	800890331
3.	Articles II, VII and VIII are deleted in their entirety and New Art	icles II, VII, VIII and IX are added as follows:
	SEE ATTACHED ADDENDUM.	
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		8
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KV

Nonprofit corporation only: Member, shareholder, or board approval				
The foregoing amendment to the Articles of Incorporation was duly adopted on 23rd day of				
October 2017 by the (check one of the following)				
Member or shareholder approval for nonprofit corporations organized on a membership or share basis				
members or shareholders at a meeting in accordance with Section 611(2) of the Act.				
written consent of the members or shareholders having not less than the minimum number of votes required by statute in accordance with Section 407(1) and (2) of the Act. Written notice to members or shareholders who have not consented in writing has been given. (Note: Written consent by less than all of the members or shareholders is permitted only if such provision appears in the Articles of Incorporation.)				
written consent of all the members or shareholders entitled to vote in accordance with section 407(3) of the Act.				
Directors (Only if the Articles state that the corporation is organized on a directorship basis)				
directors at a meeting in accordance with Section 611(2) of the Act.				
written consent of all directors pursuant to Section 525 of the Act.				
Nonprofit Corporations				
Signed this 20 day of MARCH, 2018 By Modulus - Welly (Signature of Precident, Visco-Predident, Chairperson or Vice-Chairperson) Rodney P. Meyer President (Type or Print Name) (Type or Print Tille)				

ARTICLE II Purpose

The purposes for which the Corporation is organized are:

- 1. <u>Management and Administration</u>. To manage and administer the affairs of and maintenance of The Sanctuary in the Hills (the "Condominium") and the Common Elements thereof, all to the extent set forth in the Condominium Documents for the Condominium.
- 2. <u>Collecting Assessments</u>. To collect assessments from the members of the corporation and to use the proceeds thereof for the purposes of the Corporation.
 - 3. Insurance. To carry insurance and collect and allocate the proceeds thereof.
- 4. <u>Rebuild Improvements</u>. To rebuild improvements after casualty, subject to the terms of the Condominium Documents.
- 5. <u>Contract and Employ Persons</u>. To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium.
- 6. Real or Personal Property. 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 any easements, rights-of-way and licenses) on behalf of the Corporation in furtherance of any of the purposes of the Corporation.
- 7. <u>Borrow Money.</u> To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Corporation, and to secure the same by mortgage, pledge, or other lien on property owned by the Corporation; provided, however, that any such action shall also be approved by affirmative vote of more than 60% of all members entitled to vote.
- 8. <u>Assign Right to Future Income</u>. To assign its right to future income, including the right to receive member assessment payments.
- 9. Rules and Regulations. To make rules and regulations in accordance with the Condominium Bylaws.
- 10. <u>Committees</u>. 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 Corporation any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.
 - 11. <u>Enforce Documents.</u> To enforce the provisions of the Condominium Documents.
- 12. <u>Administrator</u>. To do anything required of or permitted to the Corporation as administrator of the Condominium under the Condominium Documents.

13. <u>General</u>. In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, repair, replacement and operation of the Condominium and the Corporation.

ARTICLE VII

Claims against Volunteers; Assumption of Volunteer Liability by the Corporation

- Claims against Volunteers. Under all circumstances except those listed immediately below, no person or entity shall bring or maintain a claim for monetary damages against a volunteer director or volunteer officer of the Corporation for a volunteer director's or volunteer officer's acts or omissions. Any such claim shall be brought and maintained against the Corporation. This provision cannot eliminate liability for:
- (a) The amount of a financial benefit received by a director or volunteer officer to which he or she is not entitled;
 - (b) Intentional infliction of harm on the Corporation, its shareholders, or members;
 - (c) A violation of section 551;
 - (d) An intentional criminal act;
 - (e) A liability imposed under section 497(a).
- 2. <u>Assumption of Volunteer Liability</u>. The Corporation shall assume, pay for, and undertake all obligations and liability for any and all acts or omissions of its volunteer directors and volunteer officers if all of the following are met:
- (a) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.
 - (b) The volunteer was acting in good faith.
- (c) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.
 - (d) The volunteer's conduct was not an intentional tort.
- (e) The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in section 3135 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being section 500.3135 of the Michigan Compiled Laws.

ARTICLE VIII Indemnification

In addition to the provisions of Article VII, the Corporation may indemnify its volunteer directors, volunteer officers, volunteers, individuals, or persons in the following manner:

- Individuals. The Corporation shall indemnify every Director, officer and volunteer of the Association against all expenses and liabilities, including reasonable attorney fees and amounts paid in settlement incurred by or imposed upon the Director, officer or volunteer in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, to which the Director, officer or volunteer may be a party or in which they may become by reason of their being or having been a Director, officer or volunteer of the Corporation, whether or not they are a Director, officer or volunteer at the time such expenses are incurred, if the person acted in good faith and in a manner which they reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that their conduct was lawful; provided, however, that no indemnification shall be made in respect to any claim, issue, or matter as to which such person shall have been finally adjudged to be liable for gross negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that a court shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses as the court shall deem proper.
- 2. Expenses. To the extent that a Director, officer, or volunteer has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 1, or in defense of any claim, issue, or matter therein, and indemnification is granted, they shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith and in any action, suit or proceeding brought to enforce the indemnification provided for herein.
- 3. <u>Determination of Right to Indemnification</u>. Except in a situation governed by Section 2, any indemnification under Section 1 (unless ordered by a Court) shall be made by the Corporation only as authorized in the specific case upon determination that indemnification of the Director, officer, or volunteer is proper in the circumstances because they have met the applicable standard of conduct set forth in Section 1. Such determination shall be made (a) by a majority vote of Directors acting at a meeting at which a quorum consisting of Directors who were not parties to such action, suit, or proceeding is present, or (b) if such a quorum is not obtainable (or even if obtainable), and a majority of disinterested Directors so directs, by independent legal counsel (compensated by the Corporation), in a written opinion, or (c) if such a quorum is not obtainable, then by a majority vote of a committee of Directors who are not parties to the action (such committee shall consist of not less than two (2) disinterested Directors), or (d) by the shareholders or members.
- 4. Advance Payment of Expenses. Expenses of each person indemnified hereunder incurred in defending a civil, criminal, administrative, or investigative action, suit, or proceeding (including all appeals), or threat thereof, may be paid by the Corporation in advance of the final disposition of such action, suit, or proceeding as authorized by the Board of Directors, whether a disinterested quorum exists or not, upon receipt of an undertaking by or on behalf of the Director,

officer, or volunteer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made, but need not be secured.

- 5. Rights Not Exclusive. The indemnification or advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled as a matter of law or under these Articles of Incorporation, the Condominium Documents, or any contractual agreement. However, the total amount of expenses for indemnification from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses. The indemnification provided for in this Article shall continue as to a person who has ceased to be a Director, officer, or volunteer and shall inure to the benefit of the heirs, executors, and administrators of such a person.
- 6. <u>Directors and Officers Liability Insurance</u>. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, or volunteer of the Corporation, or is or was serving at the request of the Corporation as an unpaid, volunteer Director, volunteer officer, or volunteer of another corporation (whether nonprofit or for profit), partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article or of the Michigan Nonprofit Corporation Act.

To the extent that any provision of this Article VIII conflicts with the provisions of Article VII, the provisions of Article VII shall control.

ARTICLE IX Removal of Directors

At any annual or special meeting of the Corporation duly called and held, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than 50% of all Members and a successor may then and there be elected to fill any vacancy created. The quorum required to elect any successor of a removed director shall be the normal quorum requirement set forth in the Bylaws. Any director whose removal had been proposed shall be given an opportunity to be heard at the meeting.