EXHIBIT A

BYLAWS

GRAND RESERVE
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ARTICLE 1
ASSOCIATION OF CO-OWNERS

Section 1.1 Formation; Membership. Grand Reserve, a single family residential site Condominium Project located in the Township of Grand Blanc, Genesee County, Michigan, shall be administered by Grand Reserve Condominium Association, an organization of Co-Owners which is a non-profit corporation (the “Association”), organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Condominium Bylaws referred to in the Master Deed and required by Section 3(8) of the Michigan Condominium Act, as amended, (the “Act”) and the Bylaws of the Association provided for under the Michigan Non-profit Corporation Act. Each Co-Owner shall be entitled to membership and no other person or entity shall be entitled to membership in the Association. The share of a Co-Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to the Co-Owner's Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-Owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-Owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit or the Common Elements of the Project shall be subject to the provisions and terms set forth in the Condominium Documents.

The Association is a member of the Master Association. Each Owner's interest in the Master Association by virtue of membership of the Association in the Master Association is appurtenant to and inseparable from ownership of any Unit.

Section 1.2 Definitions. Capitalized terms used in these Bylaws without further definition shall have the meanings given to such terms in the Master Deed or the Act unless the context dictates otherwise.

Section 1.3 Conflicts of Terms and Provisions. In the event there exists any conflict between the terms and provisions contained within the Master Deed or these Bylaws, the terms and provisions of the Master Deed shall control.

Section 1.4 Master Association. Co-Owners of Units in the Condominium are also Members of the Master Association. Membership in the Association is in addition to a Co-Owner's membership in the Master Association.

ARTICLE 2
ASSESSMENTS

Section 2.1 Assessments Against Units and Co-Owners. All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the Condominium Documents and the Act shall
be levied by the Association against the Units and the Co-Owners in accordance with the following provisions of this Article 2.

Section 2.2 Assessments for Common Elements. All costs incurred by the Association in satisfaction of any, improvement or maintenance costs or liability arising within, caused by, or connected with the Common Elements and easements for which the Association has improvement, repair, reconstruction, insurance or maintenance responsibility or the administration of the Condominium Project and charges relating to insurance, repairs, improvement, reconstruction or maintenance of the Common Elements and easement areas of the Condominium shall constitute expenditures affecting the administration of the Project, and shall be billed to the Co-Owners as set forth in the Master Deed and Bylaws, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the Co-Owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

Section 2.3 Determination of Assessments. Assessments shall be determined in accordance with the following provisions:

2.3.1 Budget and General Assessments. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular monthly, annual, or other periodic assessment payments as determined by the Board of Directors, rather than by special assessments. At a minimum, the reserve fund shall be equal to ten percent (10%) of the Association's current annual budget on a noncumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular Project, the Association should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-Owner and the periodic assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-Owner shall not affect or in any way diminish the liability of any Co-Owner for any existing or future periodic assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors that the periodic assessments levied are or may prove to be insufficient to pay the actual costs of the Condominium Project's operation and management of the Condominium to provide for repairs or replacements of existing Common Elements, to provide additions to the Common Elements not exceeding Ten Thousand ($10,000) Dollars in the aggregate, annually, or that an event of emergency exists, the Board of Directors shall have the authority to increase the general periodic assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Co-Owner or mortgagee consent, to levy assessments for repair and
reconstruction in the event of casualty pursuant to the provisions of Article 5, Section 5.4 of these Bylaws. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

2.3.2 **Special Assessments.** Special assessments, in addition to those required in subparagraph 2.3.1 above, may be made by the Board of Directors from time to time and approved by the Co-Owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements or costs exceeding Ten Thousand ($10,000) Dollars for the entire Condominium Project per year, (2) assessments described in Section 2.7 below to purchase a Unit upon foreclosure of the lien for assessments, or (3) assessments for any other appropriate purpose not elsewhere herein described that could not be covered by the annual assessment. Special assessments referred to in this subparagraph 2.3.2 (but not including those assessments referred to in subparagraph 2.3.1 above, which shall be levied in the sole discretion of the Board of Directors), shall not be levied without the prior approval of more than sixty (60%) percent of all Co-Owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or of the members thereof.

2.3.3 **Assessments of the Master Association: Service Contract.** The Grand Reserve Community Association administers The Grand Reserve Community, of which the Condominium is a part. The Master Association has responsibility for administration, operation, insurance, maintenance, repair and replacement of Shared Improvements and Facilities as described in the Declaration. The Master Association shall assess the Owners of Units in Grand Reserve and the owners of units in Townes at Grand Reserve and any other Members of the Master Association pro rata for the costs for such administration, operation, insurance, maintenance, repair and replacement of the Shared Improvements and Facilities and other charges and assessments as set forth in the Declaration. At the election of the Master Association, the Association shall collect from the Co-Owner's of the Units in the Condominium assessments as a cost of administration of the Project, as set forth in the Master Deed, these Bylaws and the Declaration. The Master Association shall have a lien for such charges against each Owner's Unit as set forth in the Declaration. By acceptance of a deed or conveyance of a Unit, each Co-Owner covenants and agrees to pay to the Master Association (or to the Association, if so delegated): (a) all general assessments or charges when due under the Declaration; (b) special assessments, if any, for capital improvements to be established and collected as set forth in the Declaration, (c) user fees and cost center fees, and (d) any other charges and assessments properly assessable to the Co-Owner's Unit as set forth in the Master Declaration, the Articles of Incorporation and Bylaws of the Master Association, the Master Deed and these Bylaws. The Master Association and the Association may enter into a service contract pertaining to administration of the Project as described in Section 4.4.5 of the Master Deed.
2.3.4 Remedial Assessments. If any Co-Owner fails to properly maintain or repair such Co-Owner's Unit in accordance with the provisions of Article 6, which failure, in the opinion of the Board of Directors adversely affects the appearance of the Condominium Project as a whole, or the safety, health or welfare of the other Co-Owners of the Condominium Project, the Association may, following notice to such Co-Owner, take any actions reasonably necessary to maintain or repair the Co-Owner's Unit, and an amount equal to one hundred fifty (150%) percent of the cost thereof shall be assessed against the Unit and the Co-Owner of such Unit.

Section 2.4 Apportionment of Assessments and Penalty for Default. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-Owners to cover expenses of administration shall be apportioned among and paid by the Co-Owners in accordance with the percentage of value allocated to each Unit in Article 5 of the Master Deed, without increase or decrease for the existence of any rights to the use of any Limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with subsection 2.3.1 above shall be payable by Co-Owners monthly unless otherwise determined by the Board of Directors, commencing with acceptance of a deed to a Unit or a land contract vendee's interest in a Unit or with the acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. A late charge not to exceed twenty five ($25.00) Dollars per month shall be assessed automatically by the Association upon any assessments in default for ten (10) or more days until the assessment installment, together with the applicable late charges, are paid in full. In addition, each installment in default for ten (10) or more days shall bear interest from the initial due date thereof at the rate of seven percent (7%) per annum until each installment is paid in full. The Association may, pursuant to Article 19, Section 19.4, levy fines for the late payment in addition to such interest. Each Co-Owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to such Co-Owner's Unit which may be levied while such Co-Owner is the Owner thereof, except a land contract purchaser from any Co-Owner including from Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 2.5 Waiver of Use or Abandonment of Units. No Co-Owner is exempt from liability for contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of the Co-Owner's Unit.

Section 2.6 Liens for Unpaid Assessments. Sums assessed to a Co-Owner by the Association that are unpaid together with interest on such sums, collection and late charges, advances made by the Association of Co-Owners for taxes or other liens to protect the Association's lien, attorney fees, and fines in accordance with the Condominium Documents, constitute a lien upon the Unit or Units in the Project owned by the Co-Owner at the time of the
assessment before other liens except tax liens on such Unit or Units in favor of any state or federal taxing authority and sums unpaid on a first mortgage of record, except that past due assessments that are evidenced by a notice of lien recorded as set forth in M.C.L. 559.208 (3) have priority over a first mortgage recorded subsequent to the recording of the notice 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 an action or by advertisement by the Association in the name of the Condominium Project on behalf of the other Co-Owners. All charges which the Association may levy against any Co-Owner shall be deemed to be assessments for purposes of this Section 2.6 and Section 108 of the Act.

Section 2.7 Enforcement

2.7.1 Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien and the lien created by the Condominium Documents that secures payment of assessments. In the event of default by any Co-Owner in the payment of any installment of the annual assessment levied against such Co-Owner's Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-Owner in default upon seven (7) days' written notice to such Co-Owner of the Association's intention to do so. A Co-Owner in default shall not be entitled to utilize any of the General Common Elements of the Project, including without limitation, any Recreational Facilities, and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-Owner of ingress or egress to and from such Co-Owner's Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-Owner thereof or any persons claiming under such Co-Owner. All of these remedies shall be cumulative and not alternative and shall not preclude the Association from exercising such other remedies as may be available at law or in equity.

2.7.2 Foreclosure Proceedings. Each Co-Owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. The Association, acting on behalf of all Co-Owners, may bid in at the foreclosure sale, and acquire the Unit upon passage of a special assessment as provided in Section 2.3.2 above. Further, each Co-Owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to hold, mortgage, lease, sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such
sale in accordance with the priorities established by applicable law. Each Co-Owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit such Co-Owner was notified of the provisions of this subparagraph and that the Co-Owner voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

2.7.3 Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-Owner(s) at the last known address of such Co-Owner(s), a written notice that one or more installments of the general periodic or special assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (1) the affiant's capacity to make the affidavit, (2) the statutory and other authority for the lien, (3) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (4) the legal description of the subject Unit(s), and (5) the name(s) of the Co-Owner(s) of record. Such affidavit shall be recorded in the office of the Genesee County Register of Deeds prior to the commencement of any foreclosure proceeding. If the delinquency is not cured within the ten-day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law.

2.7.4 Expenses of Collection. The expenses incurred by the Association in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-Owner in default and shall be secured by the lien on such Co-Owner's Unit.

Section 2.8 Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit and except for assessments that have priority over the first mortgage as provided in Section 108 of the Act).

Section 2.9 Developer's Responsibility for Assessments. Developer, although a member of the Association and Owner of Units, shall not be responsible at any time for payment of the Association assessments or user fees, except with respect to Units owned by Developer which contain a completed and occupied residential dwelling. A residential dwelling is complete when it has received a certificate of occupancy from the Township and a residential dwelling is occupied if it is occupied as a residence. Model and “spec” homes shall not constitute completed and occupied dwellings. In addition, in the event Developer is selling a Unit with a completed
residential dwelling by land contract to an Owner, the Owner shall be liable for all assessments and user fees and Developer shall not be liable for any assessments levied up to and including the date, if any, upon which Developer actually retakes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit.

Section 2.10 Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 2.11 Personal Property Tax and Special Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-Owners, and personal property taxes based thereon shall be treated as expenses of administration.


Section 2.13 Statements as to Unpaid Assessments. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special and Related Costs described below. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments and Related Costs as may exist or a statement that none exists, which statement shall be binding upon the Association for the period stated therein. The written statement from the Association shall also disclose the amount of interest, late charges, fines, costs and attorneys’ fees due and owing with respect to the Unit (“Related Costs”). Upon the payment of that sum set forth in the Association’s written statement within the period stated, the Association's lien for assessments and Related Costs as to such Unit shall be deemed satisfied. Provided, however, the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments and Related Costs and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments and Related Costs constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE 3

ARBITRATION/JUDICIAL ACTIONS AND CLAIMS

Section 3.1 Scope and Election. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between the Co-Owners or among or between a Co-Owner and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding and judgment on such decision shall be entered by any court of competent jurisdiction, provided that no question
affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration. In the absence of agreement to the contrary, the arbitration shall be conducted by the American Arbitration Association. The costs of the arbitration shall be paid equally by the parties to the arbitration proceedings.

Section 3.2 Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 3.1 above, no Co-Owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

Section 3.3 Election of Remedies. Such election and written consent by Co-Owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

Section 3.4 Judicial Claims and Actions. Actions on behalf of and against the Co-Owners shall be brought in the name of the Association. Subject to the express limitations on actions in these Bylaws and in the Association's Articles of Incorporation, the Association may assert, defend or settle claims on behalf of all Co-Owners in connection with the Common Elements of the Condominium. As provided in the Articles of Incorporation of the Association, the commencement of any civil action (other than one to enforce these Bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the Co-Owners, and shall be governed by the requirements of this Section. The requirements of this Section will ensure that the Co-Owners are fully informed regarding the prospects and likely costs of any civil action the Association proposed to engage in, as well as the ongoing status of any civil actions actually filed by the Association. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid the waste of the Association's assets in litigation where reasonable and prudent alternatives to the litigation exist. Each Co-Owner shall have standing to sue to enforce the requirements of this Section. The Developer shall be entitled to enforce the provisions of this Article 3, regardless of whether Developer owns any Units. The following procedures and requirements apply to the Association's commencement of any civil action other than an action to enforce these Bylaws or to collect delinquent assessments:

3.4.1 Board of Director's Recommendation to Co-Owners. The Association's Board of Directors shall be responsible in the first instance for recommending to the Co-Owners that a civil action be filed, and supervising and directing any civil actions that are filed.

3.4.2 Litigation Evaluation Meeting. Before an attorney is engaged for purposes of filing a civil action on behalf of the Association, the Board of Directors shall call a special meeting of the Co-Owners ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the Co-Owners of the date, time and place of the litigation evaluation meeting shall be sent to all Co-Owners not less than twenty (20) days before the date of the meeting and shall include the following information:
3.4.2.1. A certified resolution of the Board of Directors setting forth in detail the concerns of the Board of Directors giving rise to the need to file a civil action and further certifying that:

(A) it is in the best interests of the Association to file a lawsuit;

(B) that at least one member of the Board of Directors has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the Association, without success;

(C) litigation is the only prudent, feasible and reasonable alternative; and

(D) the Board of Directors' proposed attorney for the civil action is of the written opinion that litigation is the Association's most reasonable and prudent alternative.

3.4.2.2. A written summary of the relevant experience of the attorney ("litigation attorney") the Board of Directors recommends be retained to represent the Association in the proposed civil action, including the following information:

(A) the number of years the litigation attorney has practiced law; and

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

3.4.2.3. The litigation attorney's written estimate of the amount of the Association's likely recovery in the proposed lawsuit, net of legal fees, court costs, expert witness fees and all other expenses expected to be incurred in the litigation.

3.4.2.4. The litigation attorney's written estimate of the cost of the civil action through a trial on the merits of the case ("total estimated cost"). The total estimated cost of the civil action shall include the litigation attorney's expected fees, court costs, expert witness fees, and all other expenses expected to be incurred in the civil action.

3.4.2.5. The litigation attorney's proposed written fee agreement.

3.4.2.6. The amount to be specially assessed against each Unit in the Condominium to fund the estimated cost of the civil action both in total and on a monthly per Unit basis, as required by this Section.
3.4.3 **Independent Expert Opinion.** If the lawsuit relates to the condition of any of the Common Elements of the Condominium, the Board of Directors shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Common Elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the Board of Directors shall conduct its own investigation as to the qualifications of any expert and shall not retain any expert recommended by the litigation attorney or any other attorney with whom the Board of Directors consults. The purpose of the independent expert opinion is to avoid any potential confusion regarding the condition of the Common Elements that might be created by a report prepared as an instrument of advocacy for use in a civil action. The independent expert opinion will ensure that the Co-Owners have a realistic appraisal of the condition of the Common Elements, the likely cost of repairs to or replacement of the same, and the reasonable and prudent repair and replacement alternatives. The independent expert opinion shall be sent to all Co-Owners with the written notice of the litigation evaluation meeting.

3.4.4 **Fee Agreement with Litigation Attorney.** The Association shall have a written fee agreement with the litigation attorney and any other attorney retained to handle the proposed civil action. The Association shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement unless the existence of the agreement is disclosed to the Co-Owners in the text of the Association's written notice to the Co-Owners of the litigation evaluation meeting.

3.4.5 **Co-Owner Vote Required.** At the litigation evaluation meeting the Co-Owners shall vote on whether to authorize the Board of Directors to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the Association (other than a suit to enforce these Bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the Co-Owners. Any proxies to be voted at the litigation evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation meeting.

3.4.6 **Litigation Special Assessment.** All legal fees incurred in pursuit of any civil action that is subject to this Section shall be paid by special assessment of the Co-Owners of the Association (“litigation special assessment”). General assessments shall not be used to pay fees and expenses incurred in pursuit of any civil action subject to this Article 3. The litigation special assessment shall be approved at the litigation evaluation meeting (or at any subsequent duly called and noticed meeting) by 60% of all Co-Owners of the Association as described in Section 2.3.2 above in the amount of the estimated total cost of the civil action. If the litigation attorney proposed by the Board of Directors is not retained, the litigation special assessment shall be in an amount equal to the retained attorney's estimated total cost of the civil action, as estimated by the attorney actually retained by the Association. The litigation special assessment shall be apportioned to the Co-Owners in accordance with their respective percentage of value interests in the Condominium and shall be collected from the Co-Owners on a monthly
basis. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty-four (24) months.

3.4.7 **Attorney's Written Report.** During the course of any civil action authorized by the Co-Owners pursuant to this Section, the retained attorney shall submit a written report ("attorney's written report") to the Board of Directors every thirty (30) days setting forth:

3.4.7.1. The attorney's fees, the fees of any experts retained by the attorney, and all other costs of the litigation during the thirty (30) day period immediately preceding the date of the attorney's written report ("reporting period").

3.4.7.2. All actions taken in the civil action during the reporting period, together with copies of all pleadings, court papers and correspondence filed with the court or sent to opposing counsel during the reporting period.

3.4.7.3. A detailed description of all discussions with opposing counsel during the reporting period, written and oral, including, but not limited to, settlement discussions.

3.4.7.4. The costs incurred in the civil action through the date of the written report, as compared to the attorney's estimated total cost of the civil action.

3.4.7.5. Whether the originally estimated total cost of the civil action remains accurate.

3.4.8 **Monthly Board Meetings.** The Board of Directors shall meet monthly during the course of any civil action to discuss and review:

3.4.8.1. The status of the litigation.

3.4.8.2. The status of settlement efforts, if any.

3.4.8.3. The attorney's written report.

3.4.9 **Changes in the Litigation Special Assessment.** If, at any time, during the course of a civil action, the Board of Directors determines that the originally estimated total cost of the civil action or any revision thereof is inaccurate, the Board of Directors shall immediately prepare a revised estimate of the total cost of the civil action. If the revised estimate exceeds the litigation special assessment previously approved by the Co-Owners, the Board of Directors shall call a special meeting of the Co-Owners to review the status of the litigation, and to allow the Co-Owners to vote on whether to continue the civil action and increase the litigation special assessment. The meeting shall have the same quorum and voting requirements as a litigation evaluation meeting.
3.4.10 **Disclosure of Litigation Expenses.** The attorneys' fees, court costs, expert witness fees and all other expenses of any civil action filed by the Association ("litigation expenses") shall be fully disclosed to Co-Owners in the Association's annual budget. The litigation expenses for each civil action filed by the Association shall be listed as a separate line item captioned "litigation expenses" in the Association's annual budget.

3.4.11 **Third Party Beneficiary.** The foregoing provisions of this Article 3 shall inure to the benefit of Developer and shall be enforceable by Developer at all times during and subsequent to the Construction and Sales Period.

**ARTICLE 4**

**INSURANCE**

Section 4.1 **Extent of Coverage.** Subject to Section 4.3 of the Master Deed concerning Shared Improvements and Facilities, the Association shall, to the extent appropriate given the nature of the Common Elements and such common amenities or areas as may be located outside of the Condominium but placed under the management and control of this Association, carry fire and extended coverage, vandalism and malicious mischief and liability insurance, (in a minimum amount to be determined by Developer or the Association in its discretion), officers' and directors' liability insurance and workers' compensation insurance, if applicable, and other insurance the Association may deem applicable, desirable or necessary, pertinent to the ownership, use and maintenance of the General Common Elements of the Condominium Project, and any Limited Common Elements that are the responsibility of the Association to insure pursuant to Article 4 of the Master Deed, and such insurance, shall be carried and administered in accordance with the following provisions. Notwithstanding any other provisions of this Article, to the extent General Common Elements of the Condominium Project are also Shared Improvements and Facilities and are insured by the Master Association pursuant to the Declaration, the Association shall not be required to insure such General Common Elements. The Co-owner of a Unit shall be responsible for insurance on such Co-owner's Unit and its appurtenant Limited Common Elements, if any, which are the Co-owner's responsibility to maintain pursuant to Article 4 of the Master Deed.

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

4.1.2 **Insurance on Common Elements.** Subject to Section 4.3 of the Master Deed, all General Common Elements of the Condominium Project if insurable shall be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with the Association's insurance carrier and/or its representatives in light of commonly employed methods for the reasonable determination of replacement costs. Such coverage shall be effected upon an agreed-amount basis for the entire Condominium Project with appropriate inflation riders in
order that no co-insurance provisions shall be invoiced by the insurance carrier in a manner that will cause loss payments to be reduced below the actual amount of any loss (except in the unlikely event of total project destruction if the insurance proceeds failed for some reason, to be equal to the total cost of replacement). All information in the Association's records regarding insurance coverage shall be made available to all Co-Owners upon request and reasonable notice during normal business hours so that Co-Owners shall be enabled to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly constituted meeting to change the nature and extent of any applicable coverages, if so determined. Upon such annual re-evaluation and effectuation of coverage, the Association shall notify all Co-Owners of the nature and extent of all changes in coverages.

4.1.3 Liability Insurance. The Association shall carry liability insurance on the General Common Elements and the assets of the Association, and, to the extent reasonably available, shall carry officer's and director's liability insurance insuring its officers and directors. The coverage limits shall be in amounts generally required by private institutional mortgage investors and such coverage shall be for at least $1,000,000 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. In addition, the Association, to the extent reasonably available, shall carry officer's and director's liability insurance insuring its officers and directors.

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

4.1.5 Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Co-Owners and their mortgagees, as their interests may appear. Provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article 5 of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be retained by the Association and applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Project unless two-thirds (2/3) of the institutional holders of first mortgages on Units in the Project have given their prior written approval.

Section 4.2 Authority of Association to Settle Insurance Claims. Each Co-Owner, by ownership of a Unit in the Condominium Project, shall be deemed to have appointed the Association as such Co-Owner's true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workers compensation insurance, if applicable, pertinent to the Condominium Project and the General Common Elements thereof, and with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefore, to collect insurance proceeds and to distribute the same to the Association, the Co-Owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to use the proceeds for required repairs and reconstruction, to execute releases of
liability and to execute all documents and to do all things on behalf of such Co-Owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 4.3 Responsibility of Co-Owners. Each Co-Owner shall be responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to such Co-Owner's Unit and all other buildings, improvements, upgrades or additions located, constructed or to be located or constructed within the Co-Owner's Unit, together with any Limited Common Elements appurtenant to the Co-Owner's Unit, except to the extent otherwise provided in the Master Deed, whether located within or outside the perimeter of the Unit, and for the Co-Owner's personal property located thereon or elsewhere on the Condominium Project. The Association shall have no responsibility whatsoever to insure any such improvements or personal property. All such insurance shall be carried by each Co-Owner in an amount equal to the maximum insurable replacement value, excluding any applicable foundation and excavation costs. In the event of the failure of a Co-Owner to obtain such insurance, the Association may, but is not obligated to, obtain such insurance on behalf of such Co-Owner and the premiums therefore shall constitute a lien against the Co-Owner and the Co-Owner's Unit which may be collected from the Co-Owner in the same manner that Association assessments are collected in accordance with Article 2. Each Co-Owner also shall be obligated to obtain insurance coverage for the Co-Owner's personal liability for occurrences within the Co-Owner's Condominium Unit or within the improvements, upgrades, additions or structure located thereon and on any Limited Common Elements appurtenant thereto (regardless of where located), and also for alternative living expenses in the event of fire. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 4.3 or any liability to any person for failure to do so.

Section 4.4 Waiver of Right of Subrogation. The Association, as to all policies which it obtains, and each Co-Owner, as to all policies each Co-Owner obtains, shall use their best efforts to cause all property and liability insurance carried by the Association or any Co-Owner to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-Owner or the Association.

Section 4.5 Indemnification. Each individual Co-Owner shall indemnify and hold harmless every other Co-Owner, the Developer and the Association for all damages and costs, including attorneys' fees, which such other Co-Owners, the Developer or the Association may suffer as a result of defending any claim arising out of an occurrence on or within such individual Co-Owner's Unit or appurtenant Limited Common Elements and shall carry insurance to secure this indemnity if so required by the Developer (and thereafter the Association). This Section 4.5 shall not, however, be construed to give any insurer any subrogation right or other right or claim against any individual Co-Owner.

ARTICLE 5
RECONSTRUCTION OR REPAIR

Section 5.1 Determination to Reconstruct or Repair. If any part of the Condominium Project shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:
5.1.1 **General Common Elements.** If the damaged property is a General Common Element, the damaged property shall be rebuilt or repaired unless it is determined by unanimous vote of all the Co-Owners and mortgagees in the Condominium that the Condominium shall be terminated.

5.1.2 **Unit or Improvements Thereon.** If the damaged property is a Unit or appurtenant Limited Common Elements or any improvements thereon, the Co-Owner of such Unit alone shall determine whether to rebuild or repair the damaged property, subject to the rights of a mortgagee or other person or entity having an interest in such property, and such Co-Owner shall be responsible for any reconstruction or repair that such Co-Owner elects to make. The Co-Owner shall in any event remove all debris and restore the Unit and the improvements thereon to a clean and sightly condition satisfactory to the Association as soon as reasonably possible following the occurrence of the damage.

**Section 5.2 Repair in Accordance with Master Deed.** Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications on file with the Township unless eighty (80%) percent of the Co-Owners shall decide otherwise.

**Section 5.3 Co-Owner Responsibility for Repair.** Each Co-Owner shall be responsible for the reconstruction, repair and maintenance of any structure and other improvements constructed within the perimeter of the Co-Owner's Unit and any appurtenant Limited Common Elements. In the event damage to a structure or to any Limited Common Elements appurtenant thereto is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5.4 of this Article 5. If and to the extent that any structure is covered by insurance held by the Association for the benefit of the Co-Owner, the Co-Owner shall be entitled to receive the proceeds of insurance relative thereto, and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-Owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any improvements located thereon or any part of the Common Elements, the Association shall promptly so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

**Section 5.4 Association Responsibility for Repair.** Except as otherwise provided in Section 5.3 above and in the Master Deed or in the Declaration pertaining to Shared Improvements and Facilities, the Association shall be responsible for the reconstruction, repair and maintenance of the General Common Elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, special assessment shall be made against all Co-Owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. Nothing contained in this Section 5.4 is intended to require
Developer or the Association to replace mature trees and vegetation with equivalent trees or vegetation.

**Section 5.5  Timely Reconstruction and Repair.** If damage to Common Elements or of a Unit adversely affects the appearance of the Project, the Association or Co-Owner responsible for the reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay, and shall use its best efforts to complete such replacement within six (6) months from the date upon which the property damage occurred.

**Section 5.6  Eminent Domain.** Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

5.6.1 **Taking of Unit.** In the event of any taking of an entire Unit (or of all the improvements located within the perimeter thereof) by eminent domain, the award for such taking shall be paid to the Co-Owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the Co-Owner and the Co-Owner's mortgagee, they shall be divested of all interest in the Condominium Project. In the event that any condemnation award shall become payable to any Co-Owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Co-Owner and the Co-Owner's mortgagee, as their interest may appear.

5.6.2 **Taking of Common Elements.** If there is any taking of any portion of the Condominium other than any Unit, the condemnation proceeds relative to such taking shall be paid to the Co-Owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than two-thirds (2/3) of the Co-Owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate. If the Association is directed by the requisite number of Co-Owners to rebuild, repair or replace all or any portion of the General Common Elements taken, the Association shall be entitled to retain the portion of the condemnation proceeds necessary to accomplish the reconstruction, repair or replacement of the applicable General Common Elements. The Association, acting through its Board of Directors, may negotiate on behalf of all Co-Owners for any condemnation award for General Common Elements and any negotiated settlement approved by the Co-Owners representing two-thirds (2/3rds) or more of the total percentages of value of all Co-Owners qualified to vote shall be binding on all Co-Owners.

5.6.3 **Continuation of Condominium After Taking.** In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article 5 of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-Owners based upon the continuing value of the Condominium as one hundred percent (100%). Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity
of execution or specific approval thereof by any Co-Owner or other person having any interest whatever in the Project, as mortgagee or otherwise.

5.6.4 Notification of Mortgagees. In the event any Unit (or improvements located within the perimeter thereof) in the Condominium, or any portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium that is registered in the Association's book of "Mortgagees of Units" pursuant to Section 7.1 of these Bylaws.

Section 5.7 Notification of FHLMC. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") or the Federal National Mortgage Association ("FNMA") then, upon request by FHLMC or FNMA, the Association shall give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds Ten Thousand ($10,000.00) Dollars in amount, or if damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC or FNMA exceeds One Thousand ($1,000.00) Dollars.

Section 5.8 Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Co-Owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Co-Owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE 6
RESTRICTIONS/ARCHITECTURAL CONTROL/ COMMUNITY STANDARDS

The Condominium and the ownership, use and Occupancy of Units are subject to the Community Standards and Architectural Control provisions set forth in the Declaration, including the Design Guidelines, all of which provisions are incorporated by reference in these Bylaws, and all of which may be enforced by the Master Association or Association if so delegated by the Master Association. All Unit Owners acknowledged receipt of a copy of the Declaration, and that the ownership, use and Occupancy of Units and Common Elements of the Condominium are subject to the terms and provisions of the Declaration. In addition to the standards and restrictions applicable to all units in the Community, as set forth in the Declaration, the Units in the Condominium are subject to the following restrictions and all of the Units and Common Elements in the Condominium shall be owned, held, used, occupied and enjoyed subject to such limitations and restrictions:

Section 6.1 Dwelling, Quality and Size. In order to insure that all Dwellings in the Condominium shall be of quality design, workmanship and materials approved by the Developer, during the Construction and Sales Period, and thereafter by the Master Association and the Reviewing Entity described in Article XI in the Declaration, all Dwellings shall be constructed in accordance with all applicable governmental building codes, zoning and other ordinances and regulations, and in accordance with such further standards as may be set forth in the Master

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Deed, these Bylaws and the Architectural Control and Design Guidelines established pursuant to the Declaration.

Section 6.2 Driveways. Driveways and other paved areas for vehicular or pedestrian use within a Unit shall have a base of compacted sand, gravel, crushed stone or other approved base material and shall have a hard wearing surface approved by Developer. Plans for driveways, pavement edging or markers must be approved by Developer and the Reviewing Entity in writing prior to commencing any construction.

Section 6.3 Building Materials. Exterior building materials of Dwellings and attached garages shall be constructed, principally, of brick, brick veneer, stone, vinyl and/or wood, or such other materials approved by the Developer, during the Construction and Sales Period, and thereafter by the Architectural Review Committee described in the Declaration.

Section 6.4 Building Location. All buildings and structures shall be located on each Unit in accordance with the requirements of the Township of Grand Blanc set forth in its zoning ordinance.

Section 6.5 Unit Size. The minimum size of each Unit shall be the Unit size established for the Unit in the attached Condominium Subdivision Plan. In the event more than one (1) Unit, or part of a Unit, are developed as a single unit (and except as to the obligation of each Co-Owner for any assessments made against each separate Unit), all restrictions set forth in this Master Deed and Bylaws shall apply to such resulting unit in the same manner as to any single Unit.

Section 6.6 Maintenance. To the extent not maintained by the Master Association or Association as set forth in the Declaration and the Master Deed, each Co-Owner shall maintain all buildings and grounds on the Co-Owner’s Unit in good condition and repair, including keeping the Sidewalks and walkways and driveways within or adjacent to such Co-Owner’s Unit clean and free of debris. Each Co-owner shall also use due care to avoid damaging any of the Common Elements, including but not limited to, utility conduits and systems and any portion of any Unit appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for the repair and restoration of any damage to Common Elements or damage to another Unit or improvements, resulting from the negligent acts or omissions of a Co-owner, or the Co-owner’s family, guests, agents or invitees. Except as otherwise be provided in the Declaration, the Master Deed or these Bylaws, or in any maintenance agreement between Developer and any utility company or municipal or governmental authority, the Co-Owner of each Unit shall maintain the service area of all easements within the Co-Owner’s Unit, keep grass and weeds cut, keep the area free of trash and debris and take such actions as may be necessary to eliminate or minimize surface erosion. The Co-owner of each Unit shall be liable for any damage to any improvements located in, on, over or under any such easement, including, but not limited to, damage to the Storm Drainage Facilities, electric, gas, telephone, Water Lines, Sanitary Sewer Lines and other Utilities and communication distribution lines and facilities that arises as a result of any act or omission of the Co-Owner or the Co-owner’s agents, contractors, invitees and licensees. No structure, landscaping or other materials shall be placed or permitted to remain within any of the easements within a Unit that may damage or interfere with the installation or maintenance of the Storm Drainage Facilities, Water Lines, Sanitary Sewer Lines or other Utilities or that may
change, obstruct or retard the flow or direction of water in, on or through any drainage channels in such easements, nor shall any change be made by any Co-Owner in the finished grade of any Unit once established by the builder of the Dwelling constructed on the Unit, without the prior written consent of Developer.

Section 6.7 Shared Improvements and Facilities: Master Association. Notwithstanding any other provision of these Bylaws to the contrary, the Master Association is responsible for operation and administration of the Shared Improvements and Facilities for the benefit of all owners of units in the Master Development except to the extent that the Master Association elects to delegate certain responsibilities to a Neighborhood Association as described in the Declaration. As set forth in the Declaration the Master Association shall have the authority to ensure that the Shared Improvements and Facilities and any General Common Elements are administered, insured, maintained, repaired and replaced in a manner consistent with the Declaration. The Master Association shall have the right to promulgate rules and regulations with respect to the use of the Shared Improvements and Facilities and other matters that shall be binding on all Unit Owners and others with a right to use the Shared Improvements and Facilities.

Section 6.8 Right of Access of Association and Master Association. The Association and Master Association or their respective duly authorized agents shall have access to each Unit from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association and Master Association or their respective agents shall also have access to each Unit thereon at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to any Unit or to the improvements thereon. In the event of an emergency, the Association or Master Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-Owner for any necessary damage to such Co-Owner's Unit.

Section 6.9 Soil Removal. Soil removal from Units shall not be permitted, except as required for construction purposes and as permitted by Developer. In addition, all construction shall be subject to the requirements of the Michigan Soil Erosion and Sedimentation Control Act, as amended, and all other applicable statutes, ordinances, rules and regulations of all governmental agencies having jurisdiction over such activities.

Section 6.10 General Common Element and Easement Maintenance. Roads and walkways shall not be obstructed nor shall they be used for purposes other than for which they are reasonably and obviously intended. All General Common Elements and easements shall be maintained by the Association or Master Association unless otherwise provided in the Master Deed, Bylaws or Declaration.

Section 6.11 Leasing Restrictions. Restrictions on leasing of Units are set forth in Article X of the Declaration and are incorporated by referenced in these Bylaws.

Section 6.12 Changes in Common Elements. No Co-Owner shall make changes in any of the Common Elements without the prior written approval of the Board of Directors.
Section 6.13 **Plant Diseases or Noxious Insects.** No plants, seeds or other material harboring or breeding infectious plant diseases or noxious insects shall be introduced or maintained upon any part of a Unit or any Common Elements.

Section 6.14 **Performance Of Construction.** No building shall be erected on any Unit except by a residential builder licensed by the State of Michigan for such purpose.

Section 6.15 **Landscaping and Grass Cutting.** Except as set forth in Section 10.14 of the Declaration pertaining to Designated Planting Areas, all plantings and landscaping on Units shall be subject to prior approval of the Developer or the Architectural Control Committee described in the Declaration. No Unit Owner shall perform any landscaping activity, including but not limited to, mowing, application of insecticides, fertilizing, irrigation or other similar activities except in the Designated Planting Areas.

Section 6.16 **Temporary Buildings, Damaged Dwellings and Reconstruction; Sheds; Generators.** No trailer, mobile home, van, tent, shack, garage, barn, out building or structure of a temporary character shall be used at any time as a temporary or permanent residence, nor shall any basement be used for such purposes; provided, however, that the foregoing restriction shall not apply to any activities by Developer or any builder, developer or real estate company during any sales and/or construction periods. All permanent dwellings shall be completed within two (2) years from the commencement of construction. No old or used buildings of any kind whatsoever shall be moved to or reconstructed on any Unit. Any building damaged or destroyed by any cause, for which repair or reconstruction has not commenced within six (6) months from the date of damage or destruction, shall be removed so that there are no ruins or debris remaining within six (6) months from the date of damage or destruction. Any building which is not completed within two (2) years from commencement of construction or any damage or destruction not promptly remedied shall be deemed a nuisance and may be abated by Developer or the Association as provided by law. Any portion of the Condominium within any public or private road or right-of-way which is disturbed by reason of any work or activity performed by a Co-Owner, or a Co-Owner’s agents, employees, or independent contractors, shall be restored by the Co-Owner, at the Co-Owner’s sole expense, to its condition immediately prior to the commencement of such work or activity. Such restoration shall be performed immediately following the completion of said work or, if such work is not completed, within a reasonable time, and in no event later than the date of completion of any work or activity on the Co-Owner’s Unit. No storage sheds shall be erected on a Unit without the prior written approval of Developer. Auxiliary power generators must be approved by the Reviewing Entity as described in the Design Guidelines. Generators must be installed so as to not be visible from a street or road, shall be appropriately screened from view by means of landscaping, shall be located so as to cause minimal disturbance to residents of adjacent Units, and to provide maximum ventilation, and so as to not interfere with ventilation of adjacent Units. Only natural piped in gas or propane fuel is allowed, subject to local ordinances. Generators are to be operated only during utility power outages.

Section 6.17 **Underground Wiring.** No permanent lines or wires for communication or other transmission of electrical or power (except transmission lines located on existing or proposed easements) shall be constructed, placed or permitted to be placed anywhere above ground on a Unit other than within buildings or structures.
Section 6.18 **Real Estate Sales Office.** Notwithstanding anything to the contrary contained in this Master Deed and Bylaws, Developer, and/or any builder which Developer may designate, may construct and maintain on any Unit(s) a real estate sales office, with such promotional signs as Developer or builder may determine and/or a model home or homes for such purposes. Developer and any designated builder may continue such activity until such time as all of the Units in which Developer or builder have an interest are sold.

Section 6.19 **Swings, Slides, Playscapes, Basketball Hoops and Other Playground Equipment.** No swings, slides, playscapes, basketball hoops or other similar playground equipment shall be constructed on any Unit. Any portable play or recreational equipment shall be stored at night.

Section 6.20 **Air Conditioning Units.** No external air conditioning unit shall be placed in or attached to a window or wall of any dwelling located on a Unit. No compressor or other component of a central air conditioning system (or similar system, such as a heat pump) shall be located so as to be visible from the public street on which the Unit fronts, and, to the extent reasonably possible, all such external equipment shall be so located so as to minimize the negative impact thereof on any adjoining Unit, in the terms of noise and appearance.

Section 6.21 **Fences and Obstructions.** No fences, walls or similar structures shall be erected on any Unit during the Construction and Sales Period. Following the Construction and Sales Period, the prior written consent of the Reviewing Entity described in the Declaration, in its sole discretion, shall be required to erect any fences, walls or similar structures. Any wall, solid fence, evergreen hedge or other visual barrier erected on any Unit after approved in writing by the Reviewing Entity shall be in compliance with all laws and governmental regulations and ordinances pertaining thereto. Dog kennels, runs or other enclosed shelters are prohibited. No cyclone or other type of chain link fencing shall be used in any Unit. A Co-owner shall not install within the exterior yards of a Unit, any cables, wires, ropes or other device which is intended to physically constrict the movement of a dog, with the exception of a so-called “invisible” fence. The boundaries of any invisible fence shall be limited to the rear yard and the portion of the side yard of a Unit which is located between the rear boundary of a Unit and the front wall of the Dwelling and a dog shall not be allowed unleashed in either the front yard of a Unit or the Common Elements. Any damage caused to the irrigation system, utilities, telephone, cable TV or internet lines in connection with the installation of an invisible fence shall be repaired by the Co-Owner at the Co-Owner's expense.

Section 6.22 **Reserved Rights of Developer**

6.22.1 **Developer's Rights in Furtherance of Development and Sales.** None of the restrictions contained in this Article 6 shall apply to the commercial activities or signs or billboards, if any, of Developer during the Construction and Sales Period or of the Association in furtherance of its powers and purposes set forth in the Condominium Documents, as they may be amended from time to time. Notwithstanding anything to the contrary contained elsewhere in these Bylaws, Developer shall have the right during the Construction and Sales Period to maintain a sales office, a business office, a construction office, model units, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development.
and sale of the Project by Developer. Developer shall restore the areas so used to
habitable status upon termination of such use. The rights of assignment reserved to the
Developer in Article 20 below shall include the right to permit the maintenance and use
of sales offices, model units, advertising display signs, storage areas and reasonable
parking incident to the foregoing by to one or more Residential Builders, who may
exercise such rights simultaneously with the Developer.

6.22.2 Enforcement of Condominium Documents. The Condominium shall at
all times be maintained in a manner consistent with the highest standards of a beautiful,
serene, private residential community for the benefit of the Co-Owners and all persons
interested in the Condominium. If at any time the Association fails or refuses to carry out
its obligation to maintain, repair, replace and landscape the Condominium in a manner
consistent with the maintenance of such high standards, then Developer, or any entity to
which Developer may assign this right, at its option, may elect to maintain, repair and/or
replace any Common Elements and/or to do any landscaping required by these Bylaws
and to charge the cost thereof to the Association as an expense of administration.
Developer shall have the right to enforce these Bylaws throughout the Construction and
Sales Period, which right of enforcement may include (without limitation) an action to
restrain the Association or any Co-Owner from any activity prohibited by these Bylaws,
regardless of any provision otherwise requiring arbitration.

Section 6.23 Design Guidelines. The restrictions contained in this Article 6 shall be in
addition to and not in limitation of any restrictions set forth in the Design Guidelines and Policies
and Procedures described in the Declaration which restrictions are incorporated by referenced in
these Bylaws.

Section 6.24 Restrictions in Declaration. The Project is subject to the restrictions set
forth in the Declaration, including Age Restrictions.

ARTICLE 7
MORTGAGES

Section 7.1 Notice to Association. Any Co-Owner who mortgages such Co-Owner's
Unit shall notify the Association of the name and address of the mortgagee, and the Association
shall maintain such information in a book entitled "Mortgagees of Units." 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. The Association shall give to the holder of any first mortgage
covering any Unit in the Project written notification of any default in the performance of the
obligations of the Co-Owner of such Unit that is not cured within sixty (60) days.

Section 7.2 Insurance. The Association shall notify each mortgagee appearing in the
book of Mortgagees of Units of the name of each company insuring the Condominium against
fire, perils covered by extended coverage, and vandalism and malicious mischief and the
amounts of such coverage, to the extent the Association is required by these Bylaws to obtain
such coverage.
Section 7.3 Notification of Meetings. Upon written request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

ARTICLE 8
VOTING

Section 8.1 Vote. Except as limited in these Bylaws, all of the Co-Owners of a Unit shall be entitled to only one vote for each Unit owned, and the value of the vote attributed to each Unit shall be equal.

Section 8.2 Eligibility to Vote. No Co-Owner, other than Developer, shall be entitled to vote at any meeting of the Association until such Co-Owner has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Sections 9.2 and 11.2 of these Bylaws, no Co-Owner, other than Developer, shall be entitled to vote prior to the date of the First Annual Meeting held in accordance with Sections 9.2 and 11.2. The vote of each Co-Owner may be cast only by the individual representative designated by such Co-Owner in the notice required in Section 8.3 of this Article 8 or by a proxy given by such individual representative. Until the First Annual Meeting Developer shall be entitled to vote notwithstanding the fact that Developer may own no Units at some time or from time to time during such period. At and after the First Annual Meeting Developer shall be entitled to one vote for each Unit which Developer owns.

Section 8.3 Designation of Voting Representative. Each Co-Owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-Owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned by the Co-Owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-Owner. Such notice shall be signed and dated by the Co-Owner. The individual representative designated may be changed by the Co-Owners of a Unit at any time by filing a new notice in the manner herein provided. In the event a Unit is owned by multiple Co-Owners who fail to designate an individual voting representative for such Co-Owners, the Co-Owner whose name first appears on record title shall be deemed to be the individual representative authorized to vote on behalf of all the multiple Co-Owners of the Unit(s) and any vote cast in person or by proxy by said individual representative shall be binding upon all such multiple Co-Owners. Notwithstanding anything to the contrary contained herein, in the event title to a Unit is held by a husband and wife, either the husband or wife may vote, unless otherwise designated in writing.

Section 8.4 Quorum. Those Co-Owners present in person or by proxy at the First Annual Meeting held in accordance with Sections 9.2 and 11.2 shall constitute a quorum for such meeting. At all other meetings of Co-Owners, the presence in person or by proxy of thirty-five percent (35%) of the Co-Owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to have a greater quorum. The written vote of any person
furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 8.5 Voting. Votes may be cast only in person, or by a writing duly signed by the designated voting representative not present at a given meeting in person, or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

Section 8.6 Majority. A majority, except where otherwise provided herein, shall consist of more than fifty percent (50%) of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association where a quorum is present. Whenever provided specifically in the Condominium Documents, a majority may be required to exceed the simple majority herein above set forth of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association. When an action is to be authorized by vote of the Co-Owners of the Association, the action must be authorized by a majority of the votes cast at a meeting duly called for such purpose, unless a greater percentage vote is required by the Master Deed, these Bylaws or the Act.

ARTICLE 9
MEETINGS

Section 9.1 Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-Owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Sturgis' Code of Parliamentary Procedure, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure as selected by the Board of Directors, when not otherwise in conflict with the Condominium Documents or the laws of the State of Michigan.

Section 9.2 First Annual Meeting. The First Annual Meeting may be convened only by the Developer and may be called at any time after more than fifty percent (50%) of the Units that may be created have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer Co-Owners of seventy-five percent (75%) in number of all Units that may be created or fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Co-Owner of a Unit in the Project, whichever first occurs. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting and no such meeting shall be construed as the First Annual Meeting. The date, time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each Co-Owner. The phrase "Units that may be created" as used in this Section 9.2 and elsewhere in the Condominium Documents refers to the maximum number of Units which Developer is permitted to include in the Condominium Project, under the Condominium Documents as they may be amended.
Section 9.3  **Annual Meetings.** Annual meetings of the Association shall be held on the last Thursday of October each succeeding year after the year in which the First Annual Meeting is held at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than eight (8) months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-Owners a Board of Directors in accordance with the requirements of Article 11 of these Bylaws. The Co-Owners may also transact at the annual meetings such other business of the Association as may properly come before them.

Section 9.4  **Special Meetings.** It shall be the duty of the President to call a special meeting of the Co-Owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the Co-Owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 9.5  **Notice of Meetings.** It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Co-Owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-Owner at the address shown in the notice required to be filed with the Association by Article 8, Section 8.3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 9.6  **Adjournment.** If any meeting of Co-Owners cannot be held because a quorum is not in attendance, the Co-Owners who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. When a meeting is adjourned to another time or place, it is not necessary to give notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken and only such business is transacted at the adjourned meeting as might have been transacted at the original meeting. However, if after the adjournment, the Board of Directors fixes a new record date for the adjourned meeting, a notice of adjourned meeting shall be given to each Co-Owner or Co-Owner's individual representative. If a meeting is adjourned in accordance with the provisions of this Section 9.6 due to the lack of a quorum, the required quorum at the subsequent meeting shall be two thirds (2/3) of the required quorum for the meeting that was adjourned, provided that the Board of Directors provides each Co-Owner (or Co-Owner's individual representative) with notice of the adjourned meeting in accordance with Section 9.5 above and provided further the subsequent meeting is held within sixty (60) days from the date of the adjourned meeting.

Section 9.7  **Order of Business.** The order of business at all meetings of the members shall be as follows: (1) roll call to determine the voting power represented at the meeting; (2) proof of notice of meeting or waiver of notice; (3) reading of minutes of preceding meeting; (4) reports of officers; (5) reports of committees; (6) appointment of inspector of elections (at annual meetings or special meetings held for purpose of election of Directors or officers); (7) election of Directors (at annual meeting or special meetings held for such purpose); (8) unfinished business;
Section 9.8  **Action Without Meeting.** Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members, which ballots are signed within no more than a sixty (60) day period, as determined by the Board of Directors. Ballots shall be solicited in the same manner as provided in Section 9.5 for the giving of notice of meetings of members. Such solicitations shall specify (1) the number of responses needed to meet the quorum requirements; (2) the percentage of approvals necessary to approve the action; and (3) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt within the time period specified in the solicitation of (1) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (2) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 9.9  **Consent of Absentees.** The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy and if, either before or after the meeting, each of the members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 9.10  **Minutes, Presumption of Notice.** Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. 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 10**

**ADVISORY COMMITTEE**

Section 10.1  **Advisory Committee.** Within one (1) year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within one hundred twenty (120) days after conveyance to purchasers of one-third (1/3) of the total number of Units that may be created, whichever first occurs, Developer shall cause to be established an Advisory Committee consisting of at least three (3) non-developer Co-Owners. The Committee shall be established and perpetuated in any manner Developer deems advisable, except that if more than fifty percent (50%) of the non-developer Co-Owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the Board of Directors and the non-developer Co-Owners and to aid the transition of control of the
Association from Developer to non-developer Co-Owners. The Advisory Committee shall cease to exist automatically when the non-developer Co-Owners have the voting strength to elect a majority of the Board of Directors of the Association. Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected by the Co-Owners.

ARTICLE 11
BOARD OF DIRECTORS

Section 11.1 Number and Qualification of Directors. The Board of Directors shall be comprised of three (3) members all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association.

Section 11.2 Election of Directors

11.2.1 First Board of Directors. The first Board of Directors shall be composed of three (3) persons and such first Board of Directors or its successors as selected by Developer shall manage the affairs of the Association until the appointment of the first non-developer Co-Owners to the Board. Thereafter, elections for non-developer Co-Owner Directors shall be held as provided in subsections 11.2.2 and 11.2.3 below. The Directors shall hold office until their successors are elected and hold their first meeting.

11.2.2 Appointment of Non-developer Co-Owners to Board Prior to First Annual Meeting. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-Owners of twenty-five percent (25%) of the Units that may be created, one (1) of the three (3) Directors shall be selected by non-developer Co-Owners. When the required percentage level of conveyance has been reached, Developer shall notify the non-developer Co-Owners and request that they hold a meeting and elect the required Director. Upon certification to Developer by the Co-Owners of the Director so elected, Developer shall then immediately appoint such Director to the Board to serve until the First Annual Meeting unless such Director is removed pursuant to Section 11.7 of this Article or such Director resigns or becomes incapacitated.

11.2.3 Election of Directors At and After First Annual Meeting

11.2.3.1 Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-Owners of seventy-five percent (75%) of the Units that may be created, and before conveyance of ninety percent (90%) of such Units, the non-developer Co-Owners shall elect all Directors on the Board except that Developer shall have the right to designate at least one (1) Director as long as the Units that remain to be created and sold equal at least ten percent (10%) of all Units that may be created in the Project. Whenever the seventy-five percent (75%) conveyance level is achieved, a meeting of Co-Owners
shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

11.2.3.2 Regardless of the percentage of Units which have been conveyed, upon the expiration of fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Co-Owner of a Unit in the Project, the non-developer Co-Owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units which are owned by Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection 11.2.3.1. Application of this subsection does not require a change in the size of the Board of Directors.

11.2.3.3 If the calculation of the percentage of members of the Board of Directors that the non-developer Co-Owners have the right to elect under subsection 11.2.3.2, or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-developer Co-Owners under subsection 11.2.2 results in a right of non-developer Co-Owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-developer Co-Owners have the right to elect. After application of this formula Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of Developer to designate one (1) member as provided in subsection 11.2.3.1.

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

11.2.3.5 Once the Co-Owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-Owners to elect Directors and conduct other business shall be held in accordance with the provisions of Article 9, Section 9.3 above.

11.2.3.6 Status of Units Conveyed to Residential Builders. For purposes of calculating the timing of events described in Article 10 above and this Section 11.2, the conveyance by the Developer of a Unit to a Residential Builder, whether or not the Residential Builder is affiliated with the Developer as defined by the Act, shall not be considered a sale to a non-Developer Co-Owner until such time as the Residential Builder conveys the Unit with a completed Residence on it or until the Unit contains a completed and occupied Residence.

Section 11.3 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-Owners.

Section 11.4 Other Duties. In addition to the foregoing duties imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:

11.4.1 To manage and administer the affairs of and to maintain the Condominium Project and the Common Elements thereof.

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

11.4.3 To carry insurance and collect and allocate the proceeds thereof.

11.4.4 To rebuild improvements to the Common Elements after casualty (subject to the provisions of the Condominium Documents).

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

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

11.4.7 To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association; and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of seventy-five percent (75%) of all of the members of the Association.

11.4.8 To make rules and regulations in accordance with these Bylaws.

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

11.4.10 To enforce the provisions of the Condominium Documents.

Section 11.5 Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include Developer, Declarant or the Master Association or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 11.3 and 11.4 of this Article and those duties described in Section 4.4.5 of the Master Deed, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. Notwithstanding the foregoing, a service contract which exists between the Association and the Developer or affiliates of the Developer and a management contract with the Developer or affiliates of the Developer is voidable by the Board of Directors on the transitional control date or within 90 days thereafter, and on 30 days' notice at any time thereafter for cause. To the extent that any management contract extends beyond 1 year after the transitional control date, the excess period under the contract may be voided by the Board of Directors by notice to the management agent at least 30 days before the expiration of the 1 year.

Section 11.6 Vacancies. Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, except that Developer shall be solely entitled to fill the vacancy of any Director whom Developer is permitted in the first instance to designate. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. Vacancies among non-developer Co-owner elected Directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Co-Owners and shall be filled in the manner specified in Section 11.2.2 of this Article.
Section 11.7 Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than fifty percent (50%) of all the Co-Owners, not just of those present, and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal thirty-five percent (35%) requirement set forth in Article 8, Section 8.4. Any Director whose removal has been proposed by the Co-Owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time or from time to time in its sole discretion. Likewise, any Director selected by the non-developer Co-Owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

Section 11.8 First Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present.

Section 11.9 Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, telephone or facsimile at least ten (10) days prior to the date named for such meeting.

Section 11.10 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally, by mail, telephone or facsimile which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) Directors.

Section 11.11 Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be deemed a waiver of notice by the Director of the time and place thereof. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 11.12 Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, less than a quorum is present, the majority of those present may adjourn the meeting to a subsequent time upon twenty-four (24) hours' prior written notice delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing
and concurring in the minutes thereof shall constitute the presence of such Director for purposes of determining a quorum.

Section 11.13 First Board of Directors. The actions of the first Board of Directors of the Association or any successors thereto selected or elected before the Transitional Control Date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium Documents.

Section 11.14 Consent in Lieu of Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent in writing. The written consent shall be filed with the minutes of the proceedings of the Board of Directors. The consent has the same effect as a vote of the Board of Directors for all purposes.

Section 11.15 Participation in a Meeting by Telephone. A Director may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 11.13 constitutes presence at the meeting.

Section 11.16 Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds, insuring against theft, dishonesty, and other standard coverage of fidelity bonds. The premiums on such bonds shall be expenses of administration.

Section 11.17 Compensation. The Board of Directors shall not receive any compensation for rendering services in their capacity as Directors, unless approved by the Co-Owners (or their individual representatives) who represent two-thirds (2/3rds) or more of the total votes of all Co-Owners qualified to vote.

ARTICLE 12
OFFICERS

Section 12.1 Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Secretary and a Treasurer. The Directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two (2) offices except that of President may be held by one person.

12.1.1 President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the association and of the Board of Directors and shall have all the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as the President may in the President's discretion deem appropriate to assist in the conduct of the affairs of the Association.
12.1.2 Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

12.1.3 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; the Secretary shall have charge of the corporate seal, if any, and of such books and papers as the Board of Directors may direct; and the Secretary shall, in general, perform all duties incident to the office of the Secretary.

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

12.1.5 Election; Term; Resignation; Vacancy

The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office for the term for which he is appointed until his successor is elected or appointed, or until his resignation or removal. Any officer may resign by written notice to the Board of Directors. Any vacancy occurring in any office may be filled by the Board of Directors.

Section 12.2 Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and such officer's successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

Section 12.3 Duties. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE 13
SEAL

The Association may (but need not) have a seal. If the Board of Directors determines that the Association shall have a seal then it shall have inscribed thereon the name of the Association, the words “corporate seal,” and “Michigan.”
ARTICLE 14
FINANCE

Section 14.1 Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-Owners as described in detail below. Such accounts and all other Association records shall be open for inspection by the Co-Owners and their mortgagees during reasonable working hours. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

Section 14.2 Accounts and Reports. The following management standards of performance shall be followed unless the board of directors by resolution specifically determines otherwise:

14.2.1 accrual accounting, as defined by generally accepted accounting principles, shall be employed; provided, however, that any shortage shall be calculated on a cash basis of accounting;

14.2.2 accounting and controls should conform to generally accepted accounting principles;

14.2.3 cash accounts of the Association shall not be commingled with any other accounts;

14.2.4 no remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts or otherwise. Anything of value received by such parties shall be deemed to be for the benefit of the Association;

14.2.5 any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors; and

14.2.6 the following financial and related information shall be regularly prepared by the board of directors and copies made available to all Co-Owners at the expense of the Association:

14.2.6.1. The board of directors shall post written notice in a prominent place within the Project that the Budget is available at the business office of the Association or at another suitable location within the Project. If any Co-Owner requests a copy of the Budget, the Association shall provide one (1) copy to the Co-Owner without charge by first class United States mail and deliver such copy within seven (7) days of such request.
14.2.6.2. The board of directors shall cause an annual financial statement or annual audit report ("Financial Statement") to be prepared in accordance with generally accepted accounting principles within one hundred eight (180) days after the close of the Association’s fiscal year. The board of directors shall post written notice in a prominent place within the Project that the Financial Statement is available at the business office of the Association or at another suitable location within the Project. If any Co-Owner requests a copy of the Financial Statement, the Association shall provide one (1) copy to the Co-Owner without charge by first-class United States mail and deliver such copy within seven (7) days of such request. The Financial Statement shall consist of:

(A) a balance sheet as of the end of the fiscal year;

(B) an income and expense statement for the fiscal year (this statement shall include a schedule of assessments received and receivables identified by the numbers of the Units and the names of the Co-Owners assessed); and

(C) a statement of changes in financial position for the fiscal year.

Such Financial Statement shall be prepared on an audited, reviewed, or compiled basis, as the board of directors determines, by an independent public accountant.

14.2.6.3. The board of directors shall do the following at least quarterly:

(A) cause a current reconciliation of the Association’s operating accounts to be made and review the same;

(B) cause a current reconciliation of the Association’s reserve accounts to be made and review the same;

(C) review the current year’s actual reserve revenues and expenses compared to the current year’s Budget;

(D) review the most current account statements prepared by the financial institution where the Association has its operating and reserve accounts;

(E) review an income and expense statement for the Association’s operating and reserve accounts; and

(F) review the delinquency report listing all Co-Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent.
Section 14.3 Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 14.4 Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

ARTICLE 15
INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 15.1 Third Party Actions. To the fullest extent permitted by the Michigan Non-profit Corporation Act, the Association shall, subject to Section 15.5 below, indemnify any person who was or is a party defendant or is threatened to be made a party defendant to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Director or officer of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including actual and reasonable attorney fees), judgments, fines and amounts reasonably paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association or its members, and with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption (a) that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association or its members, and, (b) with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his conduct was unlawful.

Section 15.2 Actions in the Right of the Association. To the fullest extent permitted by the Michigan Non-profit Corporation Act, the Association shall, subject to Section 15.5 below, indemnify any person who was or is a party defendant to or is threatened to be made a party defendant of any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a Director or officer of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including actual and reasonable attorney fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit and amounts reasonably paid in settlement if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association or its members, except that no indemnification shall be made in respect of any claim, issue or matter as
to which such person shall have been adjudged to be liable to the Association unless and only to
the extent that the court in which such action or suit was brought shall determine upon
application that, despite the adjudication of liability but in view of all circumstances of the case,
such person is fairly and reasonably entitled to indemnity for such expenses which such court
shall deem proper.

Section 15.3 Insurance. The Association may purchase and maintain insurance on
behalf of any person who is or was a Director, employee or agent of the Association, or is or was
serving at the request of the Association as a Director, officer, employee or agent 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 Association would have power to indemnify him against such
liability under Sections 15.1 and 15.2. In addition, the Association may purchase and maintain
insurance for its own benefit to indemnify it against any liabilities it may have as a result of its
obligations of indemnification made under Sections 15.1 and 15.2.

Section 15.4 Expenses of Successful Defense. To the extent that a person has been
successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in
Sections 15.1 and 15.2, or in defense of any claim, issue, or matter therein, or to the extent such
person incurs expenses (including actual and reasonable attorney fees) in successfully enforcing
the provisions of this Article 15, he shall be indemnified against expenses (including reasonable
attorney fees) actually and reasonably incurred by him in connection therewith.

Section 15.5 Determination that Indemnification is Proper. Any indemnification
under Sections 15.1 and 15.2 (unless ordered by a court) shall be made by the Association only
as authorized in the specific case upon a determination that indemnification of the person is
proper under the circumstances, because he has met the applicable standard of conduct set forth
in Section 15.1 or 15.2, whichever is applicable. Notwithstanding anything to the contrary
contained in this Article 15, in no event shall any person be entitled to any indemnification under
the provisions of this Article 15 if he is adjudged guilty of willful or wanton misconduct or gross
negligence in the performance of his duties. The determination to extend such indemnification
shall be made in any one (1) of the following ways:

(a) By a majority vote of a quorum of the Board of Directors consisting of
    Directors who were not parties to such action, suit or proceeding;

(b) If such quorum described in (a) is not obtainable, then by a majority vote
    of a committee of Directors who are not parties to the action, suit or proceeding. The committee
    shall consist of not less than two (2) disinterested Directors; or

(c) If such quorum described in (a) is not obtainable (or, even if obtainable, a
    quorum of disinterested Directors, so directs), by independent legal counsel in a written opinion.

If the Association determines that full indemnification is not proper under Sections 15.1
or 15.2, it may nonetheless determine to make whatever partial indemnification it deems proper.
At least ten (10) days prior to the payment of any indemnification claim which is approved, the
Board of Directors shall provide all Co-Owners with written notice thereof.
Section 15.6 Expense Advance. Expenses incurred in defending a civil or criminal action, suit or proceeding described in Section 15.1 and 15.2 may be paid by the Association in advance of the final disposition of such action, suit, or proceeding as provided in Section 15.4 upon receipt of an undertaking by or on behalf of the person involved to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association. At least ten (10) days prior to advancing any expenses to any person under this Section 15.6, the Board of Directors shall provide all Co-Owners with written notice thereof.

Section 15.7 Former Representatives, Officers, Employees or Agents. The indemnification provided in this Article 15 shall continue as to a person who has ceased to be a Director, officer, employee or agent of the Association and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 15.8 Changes in Michigan Law. In the event of any change of the Michigan statutory provisions applicable to the Association relating to the subject matter of this Article 15, the indemnification to which any person shall be entitled hereunder arising out of acts or omissions occurring after the effective date of such amendment shall be determined by such changed provisions. No amendment to or repeal of Michigan law with respect to indemnification shall restrict the Association's indemnification undertaking herein with respect to acts or omissions occurring prior to such amendment or repeal. The Board of Directors are authorized to amend this Article 15 to conform to any such changed statutory provisions.

ARTICLE 16
AMENDMENTS

Section 16.1 By Developer. In addition to the rights of amendment provided to Developer in the various Articles of the Master Deed, Developer may, during the Construction and Sales Period and for a period of two (2) years following the expiration of the Construction and Sales Period, and without the consent of any Co-Owner, mortgagee or any other person, amend these Bylaws provided such amendment or amendments do not materially alter the rights of Co-Owners or mortgagees.

Section 16.2 Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association upon the vote of the majority of the Directors or may be proposed by one-third (1/3) or more in number of the Co-Owners by a written instrument identifying the proposed amendment and signed by the applicable Co-Owners.

Section 16.3 Meeting. If any amendment to these Bylaws is proposed by the Board of Directors or the Co-Owners, a meeting for consideration of the proposal shall be duly called in accordance with the provisions of these Bylaws.

Section 16.4 Voting. These Bylaws may be amended by the Co-Owners at any regular meeting or a special meeting called for such purpose by an affirmative vote of two-thirds (2/3rds) or more of the total votes of all Co-Owners qualified to vote, as determined on a percentage of value basis. No consent of mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of two-third (2/3rds) of all mortgagees of Units shall be required. Each
mortgagee shall have one vote for each mortgage held. Notwithstanding anything to the contrary contained in this Article 16, during the Construction and Sales Period, these Bylaws shall not be amended in any way without the prior written consent of Developer.

Section 16.5 Effective Date of Amendment. Any amendment to these Bylaws shall become effective upon the recording of such amendment in the office of the Genesee County Register of Deeds.

Section 16.6 Township Approval. Notwithstanding anything to the contrary contained in these Bylaws, any amendment to these Bylaws which would be inconsistent with the approved final site plan for the Condominium shall require the approval of the Township of Grand Blanc.

Section 16.7 Binding Effect. A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment adopted in accordance with this Article 16 shall be binding upon all persons who have an interest in the Condominium Project irrespective of whether such persons actually receive a copy of the amendment. These Bylaws may not be amended in any manner to eliminate or conflict with any mandatory provision of the Act or any applicable law or provision of the Master Deed; nor may they be amended to materially reduce or eliminate the rights of any first mortgagees without the consent of the mortgagees affected.

ARTICLE 17
COMPLIANCE

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

ARTICLE 18
DEFINITIONS

All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

ARTICLE 19
REMEDIES FOR DEFAULT

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

Section 19.1 Legal Action. 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 thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-Owners.
Section 19.2 **Recovery of Costs.** In any proceeding arising because of an alleged default by any Co-Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court, but in no event shall any Co-Owner be entitled to recover such attorneys fees.

Section 19.3 **Removal and Abatement.** The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit and the improvements thereon, where reasonably necessary, and summarily remove and abate, at the expense of the Co-Owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-Owner arising out of the exercise of its removal and abatement power authorized herein.

Section 19.4 **Assessment of Fines.** The violation of any of the provisions of the Condominium Documents by any Co-Owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-Owners in the same manner as prescribed in Article 9, Section 9.5 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-Owners as prescribed in said Article 9, Section 9.5, and an opportunity for such Co-Owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article 2 of these Bylaws. No fine shall be levied for the first violation. No fine shall exceed Twenty-Five Dollars ($25.00) for the second violation, Fifty Dollars ($50.00) for the third violation or One Hundred Dollars ($100.00) for any subsequent violation.

Section 19.5 **Collection.** The fines levied pursuant to Section 19.4 above shall be assessed against the Co-Owner and shall be due and payable together with the regular Condominium assessment on the first of the next following month. Failure to pay the fine will subject the Co-Owner to all liabilities set forth in the Condominium Documents.

Section 19.6 **Developer Exempt from Fines.** The Association shall not be entitled to assess fines against the Developer during the Construction and Sales Period for any alleged violations of the Condominium Documents but shall be rely solely to its other legal remedies for redress of such alleged violations.

Section 19.7 **Non-Waiver of Right.** The failure of the Association or of any Co-Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-Owner to enforce such right, provision, covenant or condition in the future.

Section 19.8 **Cumulative Rights, Remedies and Privileges.** 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 19.9 Enforcement of Provisions of Condominium Documents. A Co-Owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-Owner may maintain an action against any other Co-Owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or the Act.

ARTICLE 20

RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to Developer. Any rights and powers reserved or retained by Developer or its successors shall expire and terminate, if not sooner assigned to the Association, at the conclusion of the Construction and Sales Period as defined in Article 3 of the Master Deed. The immediately preceding sentence dealing with the expiration and termination of certain rights and powers granted or reserved to Developer is intended to apply, insofar as Developer is concerned, only to Developer's rights to improve and control the administration of the Condominium and shall not under any circumstances be construed to apply to or cause the termination and expiration of any real property rights granted or reserved to Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

ARTICLE 21

SEVERABILITY

In the event that any of the terms, provisions or covenants of these Bylaws or the Condominium Documents are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants of such Condominium Documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.
ARTICLE 22
ARBITRATION

Section 22.1 Scope and Election. Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between the Co-Owners, or the Co-Owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration, and the parties shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. 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 22.2 Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 22.1 above, any Co-Owner or the Association may petition the courts to resolve any disputes, claims or grievances.

Section 22.3 Election of Remedies. The election and written consent by the disputing parties to submit any dispute, claim or grievance to arbitration shall preclude such parties from thereafter litigating such dispute, claim or grievance in the courts. Nothing contained in this Article 22 shall limit the rights of the Association or any Co-Owner, as described in Section 154 of the Act.

Section 22.4 Co-Owner Approval for Civil Actions Against Developer and First Board of Directors. Any civil action proposed by the Board of Directors on behalf of the Association to be initiated against Developer, its agents or assigns, and/or the First Board of Directors of the Association or other Developer appointed Directors, for any reason, shall be subject to approval by a majority vote of all Co-Owners in accordance with Article 3 and notice of such proposed action must be given in writing to all Co-Owners in accordance with Article 8. Such vote may only be taken in a meeting of the Co-Owners and no proxies or absentee ballots shall be permitted to be used, notwithstanding the provisions of Article 8.

(signature on the following page)
Dated: **August 29, 2006**

**DEVELOPER:**

PULTE LAND COMPANY, LLC, a Michigan limited liability company

By: 

Clark G. Doughty

Its: Vice President